

S. Africa Says Soviet Soldiers Slain and Captured in Angola

CAPE TOWN — Several Soviet military personnel have been killed and one has been taken prisoner during the South African raid into Angola, Defense Minister Magnus Malan said Tuesday.

Gen. Malan said in a statement carried by the news agency SABA that among those killed were Soviet officers, and a Soviet warrant officer was taken prisoner. He did not say how many were killed.

There was no immediate Soviet reaction to the South African claim.

In Washington, the State Department said its concern about the presence of foreign military forces in Angola had been heightened by the South African report. But the department said it had no independent confirmation of the South African announcement.

Western diplomats in Moscow said it would take some time for the Communist leadership to formulate its response.

The Soviet Union has never admitted sending military personnel to Angola. The diplomats said South Africa's claim could prove

highly embarrassing to the Kremlin. If Pretoria's claim to have captured a Soviet warrant officer proved true it would be the first time there had been any firm evidence of Soviet military personnel in southern Africa.

Meanwhile, a South African military spokesman said his country's troops had been delayed by mines laid since the drive northward against guerrilla bases of the South-West Africa People's Organization began over a week ago. SWAPO is waging a guerrilla war to end South African rule of South-West Africa (Namibia).

The spokesman said most of the South Africans had left the town of NG'oma, the capital of Cuanene province, about 40 kilometers (25 miles) from the border with Namibia. Angola said Tuesday that South African troops were showing no sign of withdrawing.

[Angola's ambassador to Portugal, Adriano Sebastião, said Tuesday that heavy fighting was continuing in southern Angola between government troops and the remnants of the 4,000-man South African strike force, United Press International reported from Lisbon.

Mr. Sebastião termed South African claims that they were withdrawing a "diversionary tactic" to hide their intentions to permanently occupy southern Angola.

He warned the South Africans that if they continued to remain in southern Angola the government would be forced to actively employ the internationalist Cuban forces permanently stationed in Angola, UPI reported.]

Gen. Malan said it had been generally believed that the Soviet Union was indirectly involved in what he called terrorist movements. But now the direct involvement of Soviet military personnel on the lower levels of such movements had been proved, he said.

"There can be no doubt that the terrorist organization SWAPO is given ideological and material support by the Soviet Union," Gen. Malan said.

"During the recent operations some of these Russian officers (Continued on Page 2, Col. 7)

U.S. Vetoes UN Action Opposing South Africa

By Michael Berlin
Washington Post Service

UNITED NATIONS, New York — The United States, in a sharp public split with its closest allies, has cast a veto in the Security Council to block a resolution condemning South Africa's raid last week into Angola. The vote was 13-1, with Britain abstaining.

France, Japan, Ireland and Spain joined other council members from Communist and Third World countries Monday in voting for a strong condemnation, which stopped short of any reference to sanctions against South Africa.

The deputy U.S. representative to the United Nations, Charles Lichenstein, said the United States had to vote against a resolution which places the blame solely on South Africa for the escalation of violence which plagues the entire region.

Some diplomats feared that the open break among allies would undermine the five-year-long effort by the United States, Britain, France, West Germany and Canada to negotiate terms of independence for South-West Africa (Namibia), a former German territory administered by South Africa. The vote was seen as a setback for the Western plan for Namibian independence.

Its impact was all the more strong because during the last five years the United States and its Western allies have made painstaking efforts to speak and vote with a single voice on issues involving southern Africa at the United Nations.

African perceptions of U.S. intentions were not likely to be as sharply affected, however, because the vote was preceded last week by a statement on the U.S. position toward southern Africa by Chester A. Crocker, assistant secretary of state for African affairs, who said the United States will not "choose between black and white" in dealings with South Africa.

One U.S. official conceded that the voters of Monday's vote were South African and the Soviet Union, which portrayed the vote as an example of the West's inability to resolve southern African questions.

For South Africa, the vote was a tangible result of the new U.S. policy of "neutrality" on African questions, which gives Pretoria a free hand to maintain its tough position on Namibia and on the internal system of apartheid. South Africa reported last week that its troops entered Angolan territory to wipe out Namibian guerrilla positions, and said Monday that its troops were withdrawing.

Mr. Lichenstein, while deploring the South African action in Angola (Continued on Page 2, Col. 7)

Walesa Calls for End to Polemics, Attacks Regime for Media Policy

By Brian Mooney
Reuters

WARSAW — The leader of the Solidarity free trade union, Lech Walesa, called Tuesday night for an end to "stupid polemics" and said Solidarity wanted to serve society rather than seize power.

But the labor leader, speaking on state radio and television, lambasted the government-controlled media for giving what he said was a false image of his 9.5-million-member union.

Mr. Walesa, quoted earlier as saying that Solidarity would have to assume responsibility for the destiny of the nation because Poles had lost confidence in the authorities, spoke in an interview with three other union leaders.

The Warsaw Solidarity boss, Zbigniew Brzezinski, said Poland faced such a serious crisis that the union could not let anyone monopolize the mass media. "No propaganda based on lies can endure," he said.

Reply to Premier

Mr. Walesa said that Premier Wojciech Jaruzelski had recently called on Solidarity to define its aims. "Yes, Mr. Premier, we will," he said, "but we will not let ourselves be pushed away from the path of last August," referring to the birth of the union movement.

In a newspaper interview conducted Monday and reported Tuesday by the news agency, PAP, Mr. Walesa said the Communist authorities were losing public support.

"Things have got to the point that the authorities are losing public acceptance and support.... This situation forces us to assume responsibility for the country's destiny," Mr. Walesa told the Roman Catholic daily, *Slowo Powszechnie*.

The interview was to mark Monday's first anniversary of the Gdansk labor accord. The union observed the anniversary in a generally subdued mood. It coincided with steep increases in the price of bread and cereals and was followed by detergent rationing Tuesday.

Mr. Walesa's television comments were made on one of two programs offered to Solidarity before its first national congress as part of a deal to head off protests and strikes over government refusal to grant the union editorial control over congress coverage.

Solidarity's executive committee was meeting in Gdansk to consider a government offer Monday night to exchange more air time for social peace. No concession was offered on the issue of editorial control.

The union fears that its congress, beginning in Gdansk on Saturday, will not be fairly reported unless Solidarity has at least some editorial control over radio and television.

Only union spokesman Janusz Onyszkiewicz said the government turned down both of Solidarity's proposals on the editorial issue during five hours of talks. These were for separate government and union programs and for the news teams to be exclusively Solidarity members.

The union has threatened to black out national television and radio if the media talks fail. The government said it would respond by sending in the security forces to protect what it called a vital component of the Warsaw Pact communications network.

Past military maneuvers are scheduled for later this week.

Bolivian Leaders Are Linked to Lucrative Cocaine Trade

By Edward Schumacher
New York Times Service

LA PAZ — Senior military officers here have been involved in extraordinarily lucrative drug trafficking and other corruption since the armed forces took power 13 months ago, according to foreign and Bolivian officials and two individuals with first-hand knowledge of the drug flow.

Some officers have received millions of dollars for protecting traffickers or for trafficking themselves in the processed and semiprocessed cocaine leaving Bolivia, the source of most of the cocaine that reaches the United States, according to officials of the U.S. Drug Enforcement Agency.

The junta now governing Bolivia stepped in three weeks ago when Gen. Luis Garcia Meza was forced to resign as president by a military rebellion, prompted in part by reformist officers who had discovered the corruption. The junta has called for a "return to morality," but two of its three members have themselves been charged with corruption in the past.

The Reagan administration, meanwhile, is withholding appointing an ambassador or giving the country badly needed economic aid because of the involvement of government leaders in the cocaine traffic, administration officials have said.

Among the allegations are:

- Gen. Garcia Meza received millions of dollars from drug traffickers, which he used to buy the allegiance of key commanders and to call off a U.S.-aided drug crackdown in June, according to the DEA officials, three Bolivian military officers and the drug-trade sources.
- Col. Luis Arce Gomez, who was removed as

interior minister in February after international pressure focused on him as the government's chief drug contact, reportedly remains a powerful figure behind the scenes.

He controls a force of government security agents and foreign mercenaries while trafficking in cocaine in a fleet of private planes that he co-owns, according to the diplomats, military officers and other sources close to the drug trade here. Col. Arce Gomez denied some of the trafficking charges in a paid newspaper advertisement last week.

• Gen. Waldo Bernal of the air force, the senior junta member, regularly received payments of up to \$100,000 a week for coca-loaded planes leaving the country for an undefined period after the coup, according to the same sources. Gen. Bernal declined to be interviewed.

The cocaine trafficking in Bolivia is controlled mostly by several large families. The drug-trade sources and diplomats say that army trucks are regularly used to transport coca leaves to clandestine processing centers. Air force guards are posted at some of the country's many private airfields used for flying out the cocaine.

Many military officers display their new wealth, driving flashy cars and living in expensive homes. But few of the "coca dollars" appear to reach the ordinary soldier.

U.S. officials estimate that Bolivians earn more than \$1.5 billion a year from cocaine exports, which is more than the country earns from its legal exports. Most of the money is invested abroad, but an estimated \$300 million comes back into Bolivia, much of it to finance the black market.

The coca dollars have been put to little produc-

tive use. For the last month, however, the government effectively has been out of foreign reserves, and about the only dollars available even through international business transactions come through the black market.

The United States has not had an ambassador in Bolivia since shortly after last year's coup, when the Carter administration recalled Marvin Weissman and sharply curtailed eight programs because of the Reagan record on human rights. The Reagan administration shifted the focus to the drug trade.

'A New Image'

Foreign Minister Mario Rolon Anaya acknowledged in an interview here last week that some military officers had been corrupt but said that "the government has no proof to prosecute" and that the Reagan administration "should not condemn all for some."

He said, "The junta is a new government with a new image," trying to stop the drug flow.

The trade, however, is a major factor behind the continuing instability of the junta and the country.

Gen. Garcia Meza, who still lives in the presidential palace and enjoys such trappings as the executive helicopter and limousine, is allied with Col. Arce Gomez and is trying to rally support for a return to power.

Young colonels who call themselves the "black eagles" are pushing for power behind their leader, Col. Faustino Rico Toro, the strong-willed commander of the military college.

The colonels were once the backbone of Gen. Garcia Meza's support, many of them robbing up to several hundred thousand dollars from the president last year, the sources said.

Army Deposes Dacko In Nonviolent Coup

BANGUI, Central African Republic — President David Dacko was ousted Tuesday by the army almost two years after he overthrew his uncle, Jean-Bedel Bokassa, in a French-backed coup.

Radio Bangui said the president had resigned at the request of Gen. Andre Kolingba, the armed forces chief of staff. It said political parties and the constitution had been suspended.

Informed sources said Tuesday night that the army planned to set up a military committee to run the country. They said it was not yet known who would serve on the committee or how long it would hold power.

capital since early morning. But there were no reports of fighting and the coup seems to have been bloodless.

Airport officials in Abidjan, Ivory Coast, said Bangui's airport was still open.

Defense Minister Charles Henuu of France said in Cherbourg that the coup in the former French colony was an internal matter. The 1,400 French troops based there had been confined to barracks and would intervene only if French nationals were in danger, he said. About 2,000 French citizens are in the country, an impoverished, landlocked nation of 2 million people.

'Not in Danger'

[Mr. Henuu said foreigners are "for the moment absolutely not in danger," and he indicated that Mr. Dacko was safe, with a peaceful transition of power underway, United Press International reported.]

Mr. Dacko was the republic's first president when the former French Equatorial Africa won independence in 1960. He was overthrown in 1965 by Mr. Bokassa, then a colonel, who in 1976 proclaimed the country an empire.

Mr. Bokassa's grandiose and brutal rule as emperor was doomed when reports leaked out of a massacre of school children by imperial guards in 1979. He was overthrown in September 1979 by a French-backed coup, when he reinstated Mr. Dacko. Mr. Bokassa now lives in exile in the Ivory Coast.

The political atmosphere in the country had been tense since elections last March, which confirmed Mr. Dacko in the presidency but which his opponents claimed were rigged. Several people were killed in rioting some of it anti-French, after the voting. The president then proclaimed a state of siege, appointing Gen. Kolingba to administer it.

Witnesses said soldiers had been patrolling the streets of the



David Dacko

Dacko Ouster Is First African Test Of French Socialist Foreign Policy

By Joseph Fitchett
International Herald Tribune

PARIS — The putsch in the Central African Republic is the first foreign policy test in Africa — where France traditionally has been a power — for the new Socialist government in Paris.

It highlights the dilemmas facing the new French government, which is attempting to break with military interventionism and other pillars of France's traditional approach to African affairs, but without jeopardizing long-term French interests.

President David Dacko, who was deposed Tuesday by his army, was installed in power by French troops after his predecessor, Emperor Jean-Bedel Bokassa, also a Paris puppet, became a political liability to President Valery Giscard d'Estaing.

In contrast, current French officials, in their initial reactions Tuesday, said that the French troops in the Central African Republic — a strong military force in Africa — will stay in their barracks. Even though the new government will continue to rely on French muscle to resist any military offensives or destabilization campaigns by Libya or the Soviet Union.

gradual transition to a more liberal approach in Africa.

On the one hand, it will lay new emphasis on development. France hopes to double its aid payments and, more important, to redirect its efforts toward making African states more self-sufficient and less dependent on Western markets.

"We have to cut some of the corrupt French business connections that often have driven French policy in Africa," an official said.

In addition, key French officials in African governments are no longer being replaced. Instead, Africans will be trained to take more management responsibility.

On the other hand, despite its strict political neutrality in the Central African Republic, France has no intention of withdrawing the estimated 14,000 French troops — backed by light armor and a small air force — that are spread throughout Africa, officials said. The Socialist government's overall African strategy will continue to rely on French muscle to resist any military offensives or destabilization campaigns by Libya or the Soviet Union.

Albert Speer Dies In London at 76

The Associated Press

LONDON — Albert Speer, 76, Hitler's wartime minister for industrial production, died Tuesday night at a London hospital, a hospital official said.

The Press Association, Britain's domestic news agency, said Mr. Speer was brought to the hospital from a hotel and was believed to have had a stroke. The hospital official would not confirm the cause of death.

Mr. Speer was convicted by the Nuremberg war crimes tribunal and spent 20 years in Spandau Prison in Berlin. His obituary will appear in Thursday's editions.

NEWS ANALYSIS

This bulwark will continue to be necessary for several years to give France's new approach a chance to work, the officials said.

But a French diplomat said, France probably will intervene in Africa only in cases of aggression or to protect French civilians. Another probable condition is that French troops would have to be part of a larger force that includes African units.

This pledge has only partially reassured the United States and France's European allies, diplomats said. While France is preserving (Continued on Page 2, Col. 4)

Khomeini Eases Crackdown on Iran Dissidents

From Agency Dispatches

BEIRUT — Ayatollah Ruhollah Khomeini eased his regime Tuesday to order its crackdown against dissidents in the aftermath of the assassinations of President Mohammed Ali Rajavi and Premier Mohammed Javad Bahonar.

Mujahaddin Khalq guerrilla leader Massoud Rajavi, who had fled to Paris with former President Abolhassan Bani-Sadr, said Ayatollah Khomeini's speech showed his "obvious weakness and exposes his speedy disintegration."

Ayatollah Khomeini issued the order in a speech at his north Tehran home, Tehran Radio said in a live broadcast. Afterward, the Pasa news agency reported that the interior minister, Ayatollah Mohammed Reza Mahdavi Kani, was named interim premier to replace Mr. Bahonar.

He said that the speaker of the Majlis (parliament), Hashemi Rafsanjani, announced the designation of Ayatollah Khomeini at the end of an open session of the Majlis, and that a vote on the nomination would take place Wednesday. Ayatollah Khomeini, 50, was jailed several times and banished during the rule of the late shah.

Mr. Bahonar and Mr. Rajavi were assassinated in a bombing Sunday. They were hurried Monday, and within hours two more religious-political leaders were reported slain.

Meanwhile, Hojatoleslam Seyyed Ali Khamene'i, one of the three surviving founders of the ruling Islamic Republican Party, was elected secretary-general of the party, also succeeding Mr. Bahonar, who had headed the party since the death in a bombing June 28 of Ayatollah Mohammed Beheshti.

Hojatoleslam Khamene'i, the religious leader of Tehran, is still recuperating from wounds he received in an assassination attempt June 27 when a bomb concealed in a tape recorder exploded at a Tehran mosque where he was preaching.

Mr. Khamene'i's appointment indicates that he is a potential candidate for the premiership. Under Iran's Islamic constitution, it is up to the presidential council to choose a new premier. A new president, Iran's third in less than two years, must be elected by popular vote within 50 days.

The two other surviving founders of the Islamic party were named Monday to serve as a presidential council and carry out the functions of the president. They are Mr. Rafsanjani and Chief Justice Musavi Ardehbil.

Ayatollah Khomeini's call for an ease in the crackdown against dissidents came as assassinations and attacks against the regime grew throughout Iran. On Monday, guerrillas killed a senior clerical judge and a guard in his courtroom, Tehran Radio said.

'Imperialist Agents'

Hojatoleslam Seyyed Naser Bani-Jamal, the internal affairs director of the Court Combating Violations of Islamic Law, was killed by 'imperialist agents,' Tehran Radio said Monday, two assassins fatally shot Hojatoleslam Seyyed Mortaza Ayatollahi Tabataba'i Yazdi in front of his Tehran house, the Islamic Revolutionary Party newspaper reported.

About 4,000 "counterrevolutionaries" are known to have been arrested in the past two months, Ayatollah Khomeini, whose regime has acknowledged executing more than 600 people since the ouster of Mr. Bani-Sadr in June, said Tuesday that authorities "must not lose control and not act more harshly than what is prescribed by God and Islamic law."

In response, Iran's powerful Islamic clergy openly challenged the ayatollah, attacking his softer line toward dissidents.

"The security issue is of top priority and unless full security is established, nothing can be done," said a sharply worded declaration by the Religious Sciences Circle in Qom, a stronghold of Ayatollah Ashiq Montazeri. It called on the government to create "a powerful, large-scale intelligence organization" (Continued on Page 2, Col. 1)

Bani-Sadr Says He Turned Down Requests to Order Khomeini Slain

By Edward Cody
Washington Post Service

AUVERGNE-SUR-OISE, France — Former President Abolhassan Bani-Sadr of Iran has declared that the rebels who assassinated Iran's president and premier are also aiming for the country's revolutionary leader, Ayatollah Ruhollah Khomeini, and have asked Mr. Bani-Sadr in the past for authorization to "finish him off."

Mr. Bani-Sadr, in an interview at his heavily protected refuge in this Paris suburb, said that despite 500 security guards and anti-aircraft guns around the north Tehran house that Ayatollah Khomeini rarely leaves, the 82-year-old Iranian leader is vulnerable and his assassination is "of course" possible.

But Mr. Bani-Sadr added that he has refused the requests for orders to kill the ayatollah, and that his assassination would be a tragedy for Iran "because the risk of civil war would be so great."

However, he said the underground resistance to Ayatollah Khomeini's rule is trying to rid Iran of what Mr. Bani-Sadr de-

scribed as an increasingly bloody repression that has turned all but 10 or 15 percent of the population against the Shiite Moslem leader whom they once revered as their national savior.

"He is a man who does not know what to do," the deposed president said of Ayatollah Khomeini.

No Direct Knowledge

Mr. Bani-Sadr and Massoud Rajavi, the leader of the leftist Mujahaddin guerrillas, who accompanied Mr. Bani-Sadr to Paris, said they have no direct knowledge of who set the explosives that killed President Mohammed Ali Rajavi and Premier Mohammed Javad Bohonar.

But Mr. Rajavi sought to imply that the Mujahaddin was responsible, and Mr. Bani-Sadr's declaration that he had vetoed assassination attempts against Ayatollah Khomeini suggested that he wielded at least moral authority over those who conducted the terror campaign against the ayatollah's rule.

"They asked me several times for the authority to finish him off," Mr. Bani-Sadr said. "I did not accord it. [It was] not only the Mujahaddin. Others also," he added, without elaborating.

His comments came at the end of a long day of interviews with French and foreign reporters. For Mr. Bani-Sadr, 48, the public declarations represent what he believes to be the most effective political action open to him without remaining in Iran and running the risk of capture and execution.

His method is parallel to that adopted by Ayatollah Khomeini after he was expelled from Iran and set up headquarters in another Paris suburb. Through public exhortations and private contacts to supporters in Iran, the ayatollah built up the revolution that toppled the late shah, Mohammed Reza Pahlavi.

Freedom of Action

After the French government evacuated most of its nationals from Iran earlier this month, it allowed Mr. Bani-Sadr the same freedom of political action that was accorded Ayatollah Khomeini, lifting a gag order imposed when Mr. Bani-Sadr emerged from more

INSIDE

Prem's Problems

Five months after turning back a military coup attempt, Thai Premier Prem Tinsulanonda is coming under renewed challenge, this time from a civilian adversary determined to unseat him by democratic means. Page 2.

China Criticism

The Chinese Communist Party moves to rein in the country's writers, artists and other intellectuals who it believes are questioning its leadership. Party Deputy Chairman Deng Xiaoping calls for renewed criticism of "bourgeois liberalism." Page 6.

U.S. Spending

President Reagan, a White House aide says, is prepared to cut planned defense spending by up to \$30 billion to achieve a balanced budget by 1984. White House chief of staff James Baker also acknowledges that soaring interest rates may push the deficit for the current fiscal year beyond the administration's \$42.5 billion estimate. Page 3.

Ex-Premier Mounts New Challenge Against Bangkok's Drifting Regime

By William Branigin
Washington Post Staff Writer

BANGKOK — Five months after he turned back a military coup attempt, Premier Prem Tinsulanonda is coming under renewed challenge, this time from a civilian adversary determined to unseat him by democratic means.

A landslide victory by former Premier Kriangsak Chomanan in a provincial by-election Aug. 9 for a seat in Thailand's House of Representatives has added to the pressures on Gen. Prem's drifting government, which observers say has failed to consolidate its hold on

power following the abortive April 1 coup engineered by young army officers.

Like the coup attempt itself, the election of the 64-year-old retired army general to Thailand's House has stirred the issue of the Thai royal family's role in politics.

Gen. Kriangsak's declared intention in returning to politics a year and a half after he was forced to resign as premier is to revive "the democratic process" in Thailand through an invigorated parliamentary system.

Gen. Kriangsak's critics, however, ascribe less noble motives to

the return to politics of a man who was involved in two military coups himself in the 1970s. These critics contend that Gen. Kriangsak has no political goals other than to recapture power.

"He's not going to do anything," said Kukrit Pramoj, another former premier whose Social Action Party bitterly opposed Gen. Kriangsak in the recent by-election. "He merely wants to become prime minister in the future."

Gen. Kriangsak acknowledges he intends to seek the premiership in Thailand's next general elections, scheduled for April, 1983.

In the meantime, Gen. Kriangsak is trying to build up his newly founded National Democracy Party and broaden his support in the 301-member House of Representatives.

Egypt Defense Chief Blames Russians for Libya Air Clash

New York Times Service

CAIRO — Egypt's defense minister said last week that he believed the Soviet Union was behind the recent air clash between U.S. and Libyan planes and that he expected increased Soviet and Cuban involvement in Libya as a result.

Interviewed during the recent meetings of Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat in Alexandria, the defense minister, Gen. Abdel Halim Abu Ghazala, said Egypt had requested 150 F-16 fighters and 600 M-60 tanks from the United States. He cited the threat from Libya and increased

Soviet involvement in the Horn of Africa as the major reasons for the request.

"The Russians were behind [Libyan leader Moammar] Qadhafi, pushing him to intercept the F-14s, in my personal point of view," Gen. Abu Ghazala said, referring to the clash over the Gulf of Sidra in which two Libyan jets were shot down by Navy F-14s after the Libyans had fired a missile at the U.S. fighters.

"The Russians pushed him to do it," Gen. Abu Ghazala said of Col. Qadhafi. "To find an excuse to become more involved in Libya, to bring more advisers and more Cubans. That's the way the Soviets follow up."

In an effort to counter what Egyptian policy-makers and military officials see as the danger of Soviet encirclement, and to modernize its arsenal, Egypt has embarked on a major rearmament program, with the United States as its major supplier.

It has announced a five-year, \$5-billion arms agreement with the United States beginning in 1983. This succeeds the 1979 "peace package," a three-year program of arms sales worth \$3.5 billion.

In addition to the F-16s and the M-60 tanks, the new arms requests include 12 Hawk air-defense batteries and four Hawkeye reconnaissance planes. As with the "peace package," in paying for the weapons Egypt will have a 10-year grace period before a 20-year payment schedule begins.

Egypt has been urging the Reagan administration to increase its military sales credits for 1982 from \$900 million to \$1.5 billion, with \$200 million given as grants. The United States has reacted coolly to the suggestion so far. Egypt's request for \$106 million for fiscal 1982 to develop the Ras Banas base on the Red Sea is still awaiting congressional approval.

U.S. arms transfers to Egypt have rapidly grown and will probably continue to do so until the end of the decade. Officials have estimated that Egypt will be granted \$1.3 billion in 1983, with similar aid levels continuing until the end of 1986.

New Law on Parties

Having a large well-organized political party as a power base has become the major factor in future Thai politics. A new law, taking effect following amendments to the constitution, requires a nationwide organization with membership exceeding certain minimum standards for a group to qualify as a legal political party. The aim is to limit the number of parties and eliminate splinter groups that have had a tendency to sell their allegiances to the highest bidder.

Gen. Kriangsak is trying to get in a position so that when the political parties law goes into effect, he will be able to form a major party, a Western diplomat said. The diplomat called the law "a noble and interesting experiment."

Although the bill was passed by the parliament in June and has military approval, it could be objected to by another army coup; which some Thai politicians regard as inevitable.

"A coup will happen again," Mr. Kukrit said nonchalantly in an interview. "If I were American or English I would be horrified by the prospect of a coup," he added, "but being Thai it couldn't concern me less." The 70-year-old Mr. Kukrit said a military coup was merely "a Thai way of having a presidential election."



Frankfurt police searched through debris in a local headquarters of the Social Democratic Party in Frankfurt after a fire Tuesday apparently caused by politically motivated arson.

Cars Set Afire at U.S. Site in Wiesbaden

Frankfurt Agency Dispatches

FRANKFURT — Seven cars were set on fire and destroyed in a U.S. military housing area in Wiesbaden early Tuesday in the second attack on a U.S. installation in West Germany in two days, a U.S. Army said. No injuries were reported.

The gas tanks of the cars apparently were punctured with an ice pick and the gasoline was ignited, the Army's V Corps said. "The motive for the fires is unknown," it said.

Terrorists Suspected

The burnings came less than 24 hours after a car-bomb exploded at the headquarters of the U.S. and NATO air commands at Ramstein Air Base, injuring 18 Americans and 2 West Germans.

U.S. Brig. Gen. Joseph D. Moore, the assistant deputy chief of staff for operations at the head-

quarters, was reported in "serious" condition at the U.S. Army's Landstuhl hospital. Lt. Col. Douglas R. Young was in stable condition in the hospital.

Authorities believed the explosion to be the work of leftist guerrillas, although no group claimed responsibility. West German police began a search for a wanted terrorist, Christian Klar, who they said may have entered the Ramstein base before the bombing. They said maps and information on security at the base were found last year in the Heidelberg apartment of two terrorists after they died in an auto accident.

U.S. officials stepped up security at other installations in West Germany, where 260,000 U.S. troops are stationed.

In Frankfurt, an annex to a Social Democratic Party (SPD) headquarters was set on fire. The star of the Red Army Faction was painted on the building along with slogans that read: "The SPD is carrying out atomic arming with the U.S. Government."

Crackdown Eased in Iran

(Continued from Page 1)

"to disarm all except 'reliable religious individuals'."

Ayatollah Khomeini said the "unpleasant episode in which we lost two of our best young men and best workers" should not cause officials "to become tougher towards their prisoners, their captives, or arrest people who, God may forbid, are not guilty."

Prosecutors "must punish the corrupt, but free those who are innocent. Their attitude must be Islamic, as this is an Islamic republic," the revolutionary leader said.

Mr. Bani-Sadr, interviewed at his home near Paris by ABC television, said the number of executions in the last two months was much higher than 600.

"We know of at least 800 executions and really, it is many more than that," he said.

3 Dutch Parties Reach Accord on Coalition

The Hague — A program for a new center-left coalition Cabinet won approval Tuesday night from three parties in the Second Chamber of the Dutch States-General (parliament) after more than three months of negotiations.

The breakthrough followed agreement on a compromise economic policy worked out earlier in the day by parliamentary leaders of the Christian Democratic Appeal, the Labor Party and the Democrats '66.

King Bhumibol Aduyadej's Consort, Queen Sirikit, Issued Appeals for the Surrender of Troops Under the Coup Leader, Gen. Saht Chitpatima, and the Takeover Bid Collapsed After a Few Days. Since then the royal household has stayed in the limelight.

According to Gen. Kriangsak, it is precisely this prospect that worries him. To avoid any future threat to the popular institution that serves as the country's main unifying force, he thinks the large ceremonial monarchy should not be so closely identified with the present administration.

"The Prem government has not consolidated" after the April coup, Western diplomat said. Nor has the 61-year-old army general "established any kind of sense of direction or personal leadership," the official said. "He's a professional military man and knew how to manipulate the military system, but he has been out of his depth in the wheeling and dealing of the political arena."

Dacko Ouster Tests French African Policy

(Continued from Page 1)

several Western presence in Africa, and a diplomat said it seems unlikely that France would again act rapidly to quell an insurrection of the kind that erupted in Zaire in 1978.

This approach is not radical enough for some Socialists: "Enlightened neocolonialism in place of Giscard's stupid variety," one complained.

To placate the militants, President Francois Mitterrand's government has adopted a tough, strident attitude toward South Africa, pledging to stifle French investment there and leading Western political attacks.

The idea is to make enough noise about South Africa to distract attention from what they're doing — or not doing — in black Africa," an analyst said.

An official retorted: "We are convinced that France's interests in South Africa can be met more than compensated for if we succeed in black Africa."

The new government showed its realpolitik side in staying in the so-called "contact group" of five Western nations, led by the United States, trying to find a solution in South-West Africa (Namibia).

Some Socialists urged France's withdrawal, claiming that French participation was political camouflage for the Reagan administration.

France chose to remain, an official said, because it is the only forum that offers any realistic chance of a Namibian settlement.

This orientation — idealism modified by pragmatism — seems to be accepted in all the key French offices dealing with African affairs.

In the French presidency, Mr. Mitterrand's adviser on Africa, Guy Penne, a former dentist, seems to outweigh a better-known diplomatic adviser, Régis Debray, a former revolutionary.

The External Relations Ministry, headed by Claude Cheysson, who has extensive Third World experience, is concentrating on Namibia and South Africa and hopes later to help promote a settlement between Ethiopia and Somalia.

Major operations responsibility has settled in the Cooperation and Development Ministry, where Jean-Pierre Cot, the minister, has been asked to broaden his activities to cover English-speaking and Portuguese-speaking Africa as well as the former French colonies.

French officials emphasize that they are concentrating their Third World political thrust and development aid on Africa because it is the only region where French efforts can have tangible impact.

As French diplomacy edges toward a new African equilibrium, there are risks of friction with the Reagan administration.

Politically, French African hands are alarmed by signs of deepening U.S. commitment to South Africa and U.S. insistence on linking any Namibian settlement to a Cuban withdrawal from Angola. French diplomats have argued for a more subtle approach avoiding any formal linkage.

An economic sore point is the French commitment to increased aid as a lever for African development. The Reagan administration sees a larger role for private enterprise as the key to prosperity and stability. The State Department is expected to create a high-level post to press business interests in Africa.

Pinto Balsemão Finishes New Portugal Cabinet List

Lisbon — Premier Francisco Pinto Balsemão on Tuesday presented his second center-right Cabinet in eight months to President Antonio Ramalho Eanes amid dire economic forecasts.

On his 44th birthday, Mr. Pinto Balsemão, leader of the Social Democratic Party, handed his Cabinet list to Gen. Eanes during a one-hour meeting at the Belém Palace. Gen. Eanes was expected to announce his approval Wednesday of Mr. Pinto Balsemão's Cabinet. Portugal's 14th government since the leftist 1974 military coup restored democracy.

Gen. Eanes could install the Cabinet Thursday, whereafter it has 10 days to present its program to parliament.

The ruling Democratic Alliance coalition, composed of Mr. Pinto Balsemão's Social Democrats, Christian Democrats, and Popular Monarchists, control an 18-seat majority.

Mr. Pinto Balsemão accepted his party's call to head another government after his dramatic resignation Aug. 10 silenced a small, vocal minority within his party. Observers cautiously gave his second Cabinet greater chances of success with the inclusion of coalition partner Diogo Freitas do Amaral as deputy premier and defense minister.

The new center-right government gives the conservatives a stronger voice in the Cabinet than when Mr. Pinto Balsemão resigned three weeks ago.

The national news agency ANOP reported that Mr. Pinto Balsemão kept most of the key ministries in the hands of his Social Democratic Party.

Mr. Pinto Balsemão's primary obstacle is economic. The inflation rate is 17.8 percent, exports are falling and negotiations for \$1.2 billion in International Monetary Fund credits delayed.

Gen. Eanes has warned that if internal squabbling broke out again in the three-party coalition, or if Mr. Pinto Balsemão's new team could not curb the inflation rate and restore international investment, he might call new elections.

U.S. Customs Seeks to Honor Alien Laws on Art Exports

Washington — Under pressure from many countries that contend their cultural patrimony is being plundered to feed the American art market, the U.S. Customs Service is testing its ability to control this trade in a case involving more than \$1 million worth of gold, silver, pottery and other pre-Columbian artifacts seized on the way to New York from Peru.

The case raises a thicket of complex issues involving international relations and international law, scholarship and business. A federal grand jury is believed likely to hand up indictments early this month, according to those familiar with the case, which involves a New York art dealer and others.

Outside Interest

If successfully prosecuted, the case could set a legal precedent empowering the Customs Service to intercept shipments of cultural materials as "stolen property" on the basis of foreign laws declaring them national property. Up to now the Customs Service, with certain exceptions, has not intercepted such materials unless the objects have been stolen in the conventional sense, as in a burglary.

The case is being closely monitored by the governments of Peru and other "art exporting" countries, as well as by academic ar-

chaeologists, who contend that the art market in this country and Europe is encouraging the wholesale pillaging of the archeological remains of ancient civilizations, particularly those of the pre-Columbian Indians of Central and South America.

At the same time, it is stirring resentment and anger among the importers and dealers in such antiquities. They contend that the Customs Service has no business enforcing the laws of other countries and that the agency is trying by administrative fiat to impose law that Congress has specifically declined to pass for nearly a decade.

Privately, high customs officials concede that they are on shaky legal ground in the Peruvian seizure. Moreover, they are uncertain how far they want to go with the legal principle under which it might be prosecuted, which involves a new interpretation of the smuggling law.

Technical Violation

Because they are forbidden to discuss cases under investigation, customs agents handling the Peruvian matter declined to provide details. However, the following sequence of events was learned through conversations with dealers in New York, museum experts and others.

A few months ago, an aircraft from Peru landed at Dulles Inter-

national Airport in Virginia near Washington. On board customs agents found a shipment of art objects bound for New York. They were properly labeled, but their value was undervalued in the view of agents. On this technical violation, the material was impounded for further investigation.

Under U.S. law, works of art and antiques may be freely imported into the United States without duty, but they must be properly declared.

Unusual Ruling

On the basis of the investigation, which soon became a criminal matter, customs agents subsequently raided the New York apartment of David Bernstein, who is described by art dealers in New York as a private dealer operating out of his apartment.

In all, more than 700 pieces — described as of "spectacular" quality by one person who has seen them — are being held in customs warehouses in Virginia and New York City.

Mr. Bernstein's lawyer, Sheila Riesel of New York, said that she and her client would have no comment "until there is a resolution" of the matter.

Although a 1972 law passed by Congress has largely halted the importation of large pre-Columbian artifacts such as wall murals and large ceremonial sculpture called stelas, small pots and jewelry of

the sort seized from Mr. Bernstein have continued to enter legally even though the countries of origin strictly forbid their export.

Mexico, Guatemala, Peru and other countries have exerted considerable pressure on U.S. authorities to shut off this flow of material, much of it bought from local people digging in remote areas.

Some customs officials believe they have found an indirect way of controlling this traffic as a result of an unusual recent ruling in a noncustoms case. That case, known to lawyers as the McClain case, involved five persons who were convicted under the National Stolen Property Act of selling Mexican antiquities in Texas. In two sets of complex appeals that ended in 1979, the U.S. Court of Appeals for the Fifth Circuit, in New Orleans, held that even though the material may have been properly purchased in Mexico it was still considered stolen because Mexican law declares that all pre-Columbian objects are owned by the government. Peru has a similar national patrimony law.

Thus, the customs people reasoned, they could prosecute under the U.S. smuggling act, which makes it a crime punishable by a \$10,000 fine or five years in prison, or both, to knowingly import merchandise "contrary to law."

In this case, contrary to the Stolen Property Act,

Turkey Said to Drop Case Against Newman

Ankara — Turkish military authorities have dropped charges against the BBC correspondent in Turkey, Metin Munir, following the intervention of Justice Minister Cevdet Mentec, a ministry source said Tuesday.

Mr. Munir, 38, will not have to attend a hearing on Sept. 17, to which he was summoned by the deputy prosecutor of Ankara, the source said. The proceedings against Mr. Munir, a Cypriot national, stemmed from the correspondent's story broadcast over the BBC's Turkish service Dec. 29, which quoted a Turkish group as claiming that 30 Armenians would be killed for each Turkish diplomat assassinated abroad.

WORLD NEWS BRIEFS

Sierra Leone Declares a State of Emergency
FREETOWN, Sierra Leone — President Siaka Stevens declared a state of emergency Tuesday as Sierra Leone's trade unions staged a general strike in support of economic reforms.

The headquarters of the Sierra Leone Labor Congress was sealed off by security forces. Unconfirmed reports said about 15 leading union officials had been arrested. Union demands include cuts in prices of basic foods, measures to ease unemployment and improved housing and roads.

Mr. Stevens proclaimed the state of emergency in a nationwide broadcast Tuesday morning. It provides for detention without trial for the duration of the emergency.

Spanish Justice Minister's Resignation Accepted
MADRID — Premier Leopoldo Calvo Sotelo accepted Tuesday the resignation of Justice Minister Francisco Fernandez Ordóñez and named Pio Cabanillas Gallas, minister of the premier's office, to replace Mr. Ordóñez.

Saying he quit "to rediscover myself and regain my personal freedom" and because of "my political circumstance," the former minister added in his letter of resignation: "I do not think I could continue at my post to fulfill my political aims without an enormously costly and debilitating struggle within the actual [ruling centerist] party."

As leader of the Social Democratic faction within the Democratic Center Party, Mr. Ordóñez came under fire from the Christian Democratic wing in June when his supporters pushed a liberal divorce bill through parliament. He also reportedly had been at odds with the premier on grounds that the government had turned too far right.

UN Command Accuses N. Korea of Aggression
PANMUNJOM, Korea — The UN Command charged Tuesday that North Korea committed a "premeditated and unprovoked act of aggression" by firing a missile at an unarmed U.S. spy plane in international airspace last Wednesday. It said the incident could have brought a major confrontation.

U.S. Rear Adm. James G. Storms 3d, speaking for the UN Command at a meeting of the Military Armistice Commission, said the command will "take whatever measures are necessary to ensure the safety of our aircraft and crew. Make no mistake about our resolve."

Maj. Gen. Han Jn Kyong, the North Korean member of the commission, denied the charge. Echoing North Korean broadcasts, he accused the United States of intensifying efforts to provoke another war in Korea and of making South Korea a nuclear base for its war efforts.

Mitterrand Urges Coordinated Aid to Poor States
PARIS — President Francois Mitterrand of France opened a UN conference on aid to the world's 31 poorest nations Tuesday by calling on the international community to help these countries for the ultimate common good of all.

France believes, he said, that it is only within the framework of a global development strategy that aid to these countries can be truly meaningful.

More than 100 countries are attending the two-week conference, which is aimed at adopting a new program of international action to help the 31 countries designated by the United Nations as "least developed."

Qadhafi Threatens U.S. Bases in Mediterranean
TRIPOLI, Libya — Col. Moammar Qadhafi threatened Tuesday to attack U.S. nuclear bases in the Mediterranean Sea and cause "an international catastrophe" if the United States again "attacks" the Gulf of Sidra off Libya.

"We are warning the peoples of Sicily, Crete, Turkey and all the states of the Mediterranean that if America again attacks the Gulf of Sidra, then we will intentionally attack the nuclear depots in their countries and cause an international catastrophe," Col. Qadhafi said in a speech marking the 12th anniversary of the military coup that brought him to power.

U.S. fighters shot down two Libyan planes on Aug. 19 in disputed airspace over the Gulf of Sidra.

U.S. Vetoes UN Resolution Condemning South Africa

(Continued from Page 1)

la, explicitly criticized the "particularly large Cuban force" in Angola and the Soviet arms and advisers supplied to Namibian guerrillas. These, he said, "fuel the explosive atmosphere of confrontation and violence."

The Soviet representative, Richard Ovinikien, replied that the U.S. vote was "eloquent proof" of Washington's support for South African racism. He compared the U.S. stand to that of a "raging bull facing a red flag."

Britain explained its abstention by saying the resolution contained charged rhetoric, such as a reference to South Africa as "racist."

The outcome of the debate was a mixed blessing for the Angolans. They won French support, which appeared to be their prime objective. But many diplomats doubted that it had been Angola's objective to demonstrate U.S. isolation.

The Angolans remain anxious to pursue a negotiated settlement in Namibia, which would end their territory of South African troops and guerrillas from the South-West Africa People's Organization.

Monday's U.S. veto, however, does not end the pressure on South Africa with respect to Namibia. A special emergency session of the UN General Assembly will open Thursday, devoted exclusively to the Namibian issue.

Pretoria Says Russians Slain

(Continued from Page 1)

working together with SWAPO came into contact with us," he said. "In the skirmishes some of these officers, among others, were killed, a Russian warrant officer was also taken prisoner."

The statement added: "Besides these incidents, providing indisputable evidence of the Russian involvement, an enormous amount of Russian propaganda material was found in SWAPO headquarters areas, clearly indicating the Russian aspirations with southern Africa."

Foreign correspondents taken into southern Angola by the South African force last weekend spoke of seeing Marxist posters, Russian snapshots and maps covered with writing in Russian.

Gen. Malan said: "The South African government trusts that the Western world will take serious note of this and that this evidence will lead to a more balanced approach by the Western powers."

According to Western reports, Soviet military aid in Africa has gone chiefly to Ethiopia and Angola. Western reports have repeatedly mentioned sightings of Soviet officers in the two African states. Military experts said it was likely that Moscow had at least sent small groups of instructors to train local troops in the use of sophisticated weapons.

The Soviet media have fiercely condemned the South African push into Angola in official commentaries and daily reports from Lusanda. The reports have never contained any suggestion that Soviet citizens could be in danger.

South African-backed Angolan guerrillas claimed to have captured two Soviet pilots last year.

The guerrillas, from Jonas Savimbi's National Union for the Total Independence of Angola (UNITA), produced photographs of the men but they were never brought before Western reporters in person.

Haughey Urges U.K. To Talk With Fastas

DUBLIN — Former Irish Premier Charles Haughey urged the British government Tuesday to negotiate directly with prisoners in Northern Ireland's Maze prison to settle the hunger strike there.

Mr. Haughey, leader of the main Irish opposition party, Fine Gael, made his plea after meeting for an hour with Owen Corry, who was elected last month to the British Parliament to replace Bob by Sands, the first of 10 hunger strikers to die. "The prisoners are in control of the situation," he there could be no objection in negotiating directly with them, Mr. Haughey said.

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Nixon Library Plan Raises a Storm at Duke

Opponents Would Accept Papers but Object to 'Shrine' on Campus

By Bill Peterson
Washington Post Service

DURHAM, N.C. — Duke University has a big problem with its most famous alumnus. It keeps his portrait hidden in a vault. His name doesn't appear anywhere on campus. And when trustees tried to give him a honorary degree, the faculty rejected it.

A great many people here simply would like to forget that Richard M. Nixon ever graduated from the Duke Law School. But now much attention will be focused permanently on Mr. Nixon by construction of a presidential library on university property. The Duke president, Terry Sanford, wants such a library, and has staked his prestige on bringing it to the campus.

The proposal, which is to go before university trustees Friday, has touched off a virtual rebellion among some of the university's most respected faculty members and alumni.

Issue Debated

[At the opening of the debate Monday by the university's Academic Council, 25 of the 30 Duke professors speaking on the issue opposed the proposal to build the library on the campus, according to the Associated Press.

[Although supporters called it an issue of academic freedom, opponents said the library would also include a museum that would amount to a shrine to Mr. Nixon and an embarrassment to the university.

[The 80-member council, the faculty's representative body, is

to continue its debate Thursday and vote on a resolution before the trustees take up the matter Friday.]

Some of the most outspoken words have come from the history and political science departments, which supposedly would benefit most by such a library. "We know more about presidential papers than Terry Sanford," Lawrence C. Goodwin, a history professor, said. "We know what presidential libraries are. They're not archives; they're shrines."

But harsh words have come from elsewhere. "To build a library here is an effort to recognize a man who disgraced the presidency and dishonored his country," said H. Sheldon Smith, professor emeritus of American religious thought. "It would be an albatross around Duke University for years to come, an object of censure, scorn and denunciation."

Political Risk

Mr. Sanford, a former North Carolina governor, is among the nation's best known university presidents, a man with a secure political and academic reputation, a liberal in a conservative Southern state. His credentials as a Nixon opponent are impressive. At considerable political risk, he seconded the nomination of John F. Kennedy at the 1960 Democratic convention and in 1972 launched an ill-fated attempt to win his party's nomination to oppose Mr. Nixon.

The most persistent question asked here these days is: Why is a man like this risking so much for Mr. Nixon?

Mr. Sanford, 64, and in the twilight of his presidency, argues

there is no risk to himself or the university in the library conflict. "These are the most extensive, controversial and probably most interesting presidential papers in history," Mr. Sanford said. "More timid people might shirk from controversy. But I feel the opposition of the moment will be overcome by the long-range benefit to scholarship and that's what a university is all about."

Mr. Sanford first approached Mr. Nixon about the possibility of a presidential library at Duke during a meeting in New York on July 28. Mr. Nixon was amicable but noncommittal.

Interest Shown

But within the next 10 days, Mr. Nixon's lawyer, R. Stan Mortenson, had visited Duke twice. Mr. Nixon was interested. He apparently has warm feelings about Duke. He entered its law school on a \$250-a-year scholarship during the heart of the Depression, and was well-liked and respected as a student. He worked in the law library, served as president of the student bar association, and in 1937 was graduated third in his class. He has regularly contributed to the law school alumni fund ever since.

Like many other students, Mr. Nixon was poor. With three classmates, he lived in one large room in a ramshouse, called Whippoorwill Manor, with a woodstove and no running water. He seldom socialized, and was nicknamed "Gloomy Gus" by his classmates.

The campaign for the Nixon library began secretly. Mr. Sanford first sold the idea to top university administrators and a select group of senior faculty

members. They were told that a group of Mr. Nixon's friends, led by former Ambassador Walter H. Annenberg, would raise the \$25 million needed to build the library. Duke would simply donate the land.

The first hint of opposition did not come until Mr. Sanford phoned Richard L. Watson, acting chairman of the history department, on Aug. 8. Mr. Watson was shocked and surprised. His anxieties rose when he was told later that the whole matter had been settled by Aug. 19 because the University of Southern California was concluding lengthy negotiations for Mr. Nixon's papers.

"All that is false," says Cornelius J. Pings, senior academic vice president at USC. Although negotiations between USC and Mr. Nixon began in 1977, "relatively nothing" has occurred between them in years, he said.

Opponents Meet

Mr. Watson rounded up 13 members of the history department for a meeting. Twelve of those present, including two conservative Republicans, opposed the library.

"With few exceptions our concern is that the possibility of dramatically acquiring a magnificent presidential library may obscure the aura of dirty tricks which will inevitably surround this particular presidential library," Mr. Watson wrote Mr. Sanford in explaining the department's position. "We'd all love to have Benedict Arnold's papers, but we don't want a Benedict Arnold building on campus."

William Styron, the Pulitzer Prize-winning author and a 1947



Richard M. Nixon

Duke graduate, has issued a letter attacking the library proposal. Fourteen of the university's most respected professors signed a similar broadside.

Almost everyone would like to have the former president's papers at Duke, if only they could be quietly put in the university library. Some like law professor Walter Dellinger, think even broaching the subject with Mr. Nixon was a mistake. "I fear the university in entering negotiations with Nixon landed a strong punch in the belly of a tar baby," he said.

Aide Says Reagan Ready to Trim Military Budgets for '83 and '84

United Press International

LOS ANGELES — President Reagan is prepared to cut planned military spending by up to \$30 billion to achieve a balanced budget by 1984, according to a James A. Baker 3d, the White House chief of staff.

In an interview Monday, Mr. Baker also acknowledged publicly for the first time that high interest rates may push the deficit for the current 1981 fiscal year beyond the administration's \$42.5-billion estimate.

Mr. Baker said that Mr. Reagan remained totally committed to the concept of a balanced budget in 1984. He said the president believed that the recent drop in stock prices should not be interpreted as a lack of confidence in his economic recovery program.

The effectiveness of the administration's economic programs cannot be judged before they are put

into effect on Oct. 1, the beginning of the 1982 fiscal year, he said.

Citing inflation as the "No. 1 problem facing the country," Mr. Baker argued that the stock market slowdown was a function of inflation moderating. As inflation is reduced, "interest rates will come down," Mr. Baker said. "We'll begin to see some relief by the first of the year."

Joseph Hirshhorn, 82, Dies; Millionaire, Art Collector

Washington Post Service

WASHINGTON — Joseph H. Hirshhorn, 82, an immigrant, self-made uranium millionaire and art collector who donated \$50 million in paintings and sculpture to establish the museum here named for him, died Monday after a heart attack at his Washington home.

Born in Latvia the 12th of 13 children, Mr. Hirshhorn came to the United States with his widowed mother when he was 6, set-

the museum and its activities. Finally, in December, 1977, he was made a trustee.

M.O. Mathai

NEW DELHI (AP) — M.O. Mathai, 72, once a top assistant to India's first prime minister, Jawaharlal Nehru, died Friday of a heart attack in Madras. After his resignation in 1959 following Communist allegations of misuse of power, he wrote two controversial books, "Reminiscences of the Nehru Age" in 1978 and "My Days With Nehru" in 1979. In his books, he wrote critically about Nehru's daughter, Prime Minister Indira Gandhi.

OBITUARIES

ted in an immigrant section of Brooklyn, and surmounted a dismal boyhood and poverty to make a great fortune, acquire influence with the famous and powerful and see a museum named for him.

Dropping out of school at the age of 12, Mr. Hirshhorn started out by selling newspapers, moved to Wall Street as a broker, and made his first million before he was 30.

Found Gold

Two months before the great crash of 1929, having amassed \$4 million, Mr. Hirshhorn suddenly pulled out of the stock market, demonstrating either luck, wisdom or some combination of the two that he appeared never to lack thereafter.

Canada became his next financial arena. In 1936, having obtained substantial holdings in what appeared to be unrewarding mines, he found gold within a few yards of an old shaft.

Then in the late 1940s, through shrewd and secret maneuver, he acquired vast and fabulously valuable Canadian uranium mines. His financial support of the unconventional theories of one Canadian geologist led to successful drilling tests and prompted an elaborate strategem to stake claims quietly before news could leak out.

In 1956, Mr. Hirshhorn obtained \$30 million, mostly in stock, for his Canadian properties, and in 1960 he sold his uranium interests and began reducing his business involvements.

Active and decisive in business, where he was known as a hunter of bargains, he showed similar traits as a collector, stunning dealers with the speed and size of his purchases.

Much of his growing fortune was spent on the art collection that helped make the Hirshhorn Museum a success from the day it opened in 1974. By 1976, the collection built on Mr. Hirshhorn's artistic and acquisitive instincts was drawing 1.5 million visitors a year to the gleaming circular building on the Mall, circumscribing the Museum of Modern Art in New York to become the fourth most popular art museum in the United States.

His collection ranged from paintings by Jackson Pollock to those of Thomas Eakins and included the sculpture of Henry Moore and Auguste Rodin.

There was considerable controversy about his insistence that the building be named after him. He got his way, but for a time afterward was separated entirely from

Gen. Hugh J. Casey

NEW YORK (NYT) — Maj. Gen. Hugh J. Casey, 83, a highly decorated Army engineer who served with MacArthur in the Philippines in World War II died Sunday of a heart attack in White River Junction, Vt.

Gen. Casey, who was born in Brooklyn, was a career soldier who helped draft the original plans for the design of the Pentagon in the late 1950s. He served as MacArthur's chief engineer. He was at the general's victory celebration when Japan surrendered in 1945. He became chairman of the New York City Transit Authority in the early 1950s after retiring from the Army.

2d Atom-Powered Sub Is Launched by France

The Associated Press

CHERBOURG, France — France launched its second nuclear-powered submarine Tuesday, the 2,400-ton Saphir.

The ship, which has a cruising speed of 25 knots, carries a crew of 66 and is armed with four missile launchers, is expected to become operational in 1984 following tests and exercises. In 1979, France launched its first nuclear-powered submarine, the Rubis, which is to become operational next summer.

Scientists Are Unsure What Voyager May Find on Mystifying Uranus

By John Noble Wilford
New York Times Service

PASADENA, Calif. — With Saturn receding in the background and the sun growing smaller and dimmer, the Voyager-2 spacecraft is heading farther out in the solar system to its next planetary destination — Uranus. Scientists know so little about Uranus that they have few preconceptions of what Voyager may find there.

To get to Uranus, the 1,800-pound craft must cruise another billion miles during the next four and a half years. It got an invisible boost in momentum and shift in trajectory from Saturn's gravity as it passed that planet last week. A rare alignment of the planets in recent years makes possible such gravity-assisted, multi-planet missions.

Mission planners at the Jet Propulsion Laboratory here believe that Voyager, a craft designed to travel only as far as Saturn, its major objective, has at least a 60-per-

cent chance of reaching Uranus in working order. By then it will be nine and a half years and more than two billion miles out from the Earth.

"Right now, we're going blind," remarked Dr. Bradford A. Smith, Voyager's chief photo-interpreter and an astronomer at the University of Arizona. "We don't even know the questions to ask our camera. We're not sure what filters to use."

Astronomers Disagree

Uranus is so remote, such a fuzzy blur in telescopes, that astronomers are not sure of its size, mass, or atmospheric chemistry. They cannot even agree on whether its rotation period, and thus the length of a Uranian day, is 17 hours, 24 hours or something else.

"That gives you an idea of how difficult it is to say much about Uranus," said Dr. Edward C. Stone, the physicist at the California Institute of Technology who is Voyager's chief scientist. "We'll surely see new phenomena that we can't observe from Earth."

The seventh planet out from the sun, Uranus was unknown until a century and a half after the invention of the telescope. The planet was discovered in 1781 by William Herschel, an English musician and astronomer. Only in recent years have astronomers with more powerful telescopes been able to describe Uranus as anything other than a blob of light.

Uranus appears to be denser than the other, largely gaseous outer planets, according to Dr. Tobias Owen of the State University of New York at Stony Brook, who is also a Voyager scientist. Uranus, he said, is deficient in the light gases, hydrogen and helium, compared with Jupiter and Saturn.

Instead, the Uranian atmosphere seems to consist of heavy

carbon, nitrogen and oxygen compounds as well as hydrogen. What happened to the light gases? Dr. Owen wants to know. Is there any helium there?

Mystifying Orientation

Models for Uranus, taking into account its greater comparative density, were recently developed by Dr. William Hubbard and J.J. MacFarlane of the University of Arizona. Combining what they know of the planet's bulk properties and temperatures, they hypothesized a three-layer structure for Uranus. A rocky core, chiefly silicon and iron, is surrounded by a liquid mantle of water, methane and ammonia. Above the mantle is a low-density layer of mostly hydrogen and helium gas. The proportions of the three layers cannot be estimated until more is known of the Uranian mass and density.

In the upper clouds of Uranus, where temperatures may be at least 360 degrees below zero Fahrenheit, methane probably is freezing out into an icy haze, Dr. Owen said. This could absorb light in such a way as to give Uranus its bluish-green hue, as seen from Earth.

Of all the features that set Uranus apart from others in the sun's family, none is more striking and mystifying than the planet's very orientation. Uranus seems to float sideways. Its axis of rotation is tipped toward the sun, instead of standing perpendicular to the plane of the planets at orbit around the sun.

What happened to cause Uranus' peculiar orientation is not known. One hypothesis is that sometime near the beginning of the solar system some large object hit Uranus and knocked it out of position. Scientists believe the strange orientation must cause some bizarre patterns in the planet's meteorology.

Other anomalies of Uranus, according to Dr. Smith, include the planet's heat and its recently discovered rings.

Three of the four largest planets, Jupiter, Saturn and Neptune, radiate more heat than they receive from the sun, indicative of internal heat engines of some sort. Uranus radiates no excess heat. No one knows why. But, without an internal heat engine, Uranus may be the only major planet in the solar system without magnetic fields. Voyager-2 should find out.

In 1977, when U.S. scientists traveled to the Indian Ocean to observe the occultation of a star by Uranus, they made a serendipitous discovery. They saw that Uranus had at least six faint rings around it. Later observations detected nine rings. The Uranian rings seem to be different from those of Saturn and Jupiter. They are not

largely icy, as are the others, but are composed of extremely dark material. A question for Voyager-2 will be how did the rings of cold Uranus escape being coated with ice?

Even more questions about Uranus, and some guidance for planning the Voyager flyby, could be forthcoming, Dr. Smith said, from the orbiting Space Telescope. The optical instrument is scheduled to be launched by the space shuttle into an orbit of the Earth in January, 1983, a year before Voyager-2's encounter with Uranus.

Though the orbiting telescope will be focused primarily on distant galaxies, it will also make observations that should reveal details of Uranus never seen through ground-based telescopes. This could alter some of the mission plans, but not Voyager-2's arrival date at cold and distant and strange Uranus: Jan. 24, 1986.

Yale President Calls Moral Majority a Threat to Freedom

New York Times Service

NEW YORK — The president of Yale University has attacked the Moral Majority and other conservative groups as "peddlers of coercion" in "a radical assault" on pluralism, civil rights and religious and political freedoms in the United States.

A. Bartlett Giamatti also expressed concern that many U.S. political and religious leaders appeared to have been intimidated into silence by the Moral Majority.

Blast at U.S. Base in Korea

The Associated Press

SEOUL — Four members of the U.S. Air Force were injured in an explosion and flash fire at Taegu Air Base, 200 miles south of Seoul, the U.S. Forces Korea Command reported Tuesday.

ty's appeals for "a closed society," as well as by incidents of anti-Semitism and spreading activities of the Ku Klux Klan.

"A self-proclaimed 'Moral Majority' and its satellite or client groups, cunning in the use of a native blend of old intimidation and new technology, threaten the values" of the nation, Mr. Giamatti told 1,267 members of Yale's entering freshmen on Monday.

"Angry at change, rigid in the application of chauvinistic slogans, absolutistic in morality," he said, "they threaten through political pressure or public denunciation whoever dares to disagree with their authoritarian positions. Using television, direct mail and economic boycott, they would sweep before them anyone who holds a different opinion."

The Moral Majority is a Chris-

tian fundamentalist political movement founded in 1979 by a television evangelist, the Rev. Jerry Falwell. It espouses conservative views on a wide range of social, religious and political issues.

Liberia Frees 19 Jailed Since Tolbert's Ouster

United Press International

MONROVIA, Liberia — The Liberian leader, Samuel K. Doe, has freed 19 political prisoners held since the April, 1980, coup that overthrew President William P. Tolbert Jr., government sources said Monday.

Those released include two former Cabinet ministers, Mr. Tolbert's son-in-law, Tomie King, former commissioner of immigration, was among those freed.

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Attack on Angola, 'in Context'

To Pretoria, it is a "so-called invasion" or "simply a follow-up operation." But by international standards, there is nothing so-called about the violation of Angolan territory by South African forces. Flagrant would be more like it. London, Paris and Bonn strongly condemned the aerial and ground attack. Not Washington, which used every possible location to avoid doing so. That puts the United States at odds with its allies over an adventure contrary to law or sense. Why? It looks as if an ambiguous policy is bearing bitter fruit.

Yes, as the Reagan administration insists, Pretoria's thrust must be understood in context. Yes, Angola has served as a base for Namibian guerrillas who for years have been skirmishing with South African forces. And yes, Marxist Angola has gotten military help from the Soviet bloc, claiming that it needed some 20,000 Cubans to counter South African raids. But there is a wider context.

For a generation, South Africa has been illegal master of a huge and mineral-rich territory known as South-West Africa, or Namibia. It has rebuffed every proposal for genuine independence, fearing that its own client regime in Namibia might lose to leftist guerrillas in a free election.

The United States and its Western allies devoted years of diplomacy to creating a reasonable solution. But that all went by the boards last November when Pretoria dis-

vowed its earlier support for the plan, just after Ronald Reagan's election. South Africa's leaders evidently calculated that Mr. Reagan cared more about their minerals and anti-Marxism than about Namibia.

The new administration took the pressure off Pretoria and put it on Angola instead. While little was asked of South Africa, Angola was told that getting rid of those Cubans was the link to progress on Namibia. The turn in U.S. policy startled black Africa and emboldened South Africa, where resurgent hard-liners had already been clamoring for a show of force against Angola.

South Africa was not acting in concert with the United States — or so most Americans would like to believe. Yet by signaling its indifference, Washington was giving tacit assent to this adventuring — or so most of black Africa will conclude. One result may be to harden the Cuban presence in Angola and offer a wider opening for Soviet diplomacy. That is precisely what the Reagan Administration says it wants to discourage.

South Africa's attack, even if now ended, will unsettle post-colonial Africa and fan pressure for economic sanctions on Pretoria. This is deeply unsettling to Europeans who want trading relations with both white and black Africa. And speaking of contexts, just when will Washington spell out its policy on Namibia?

THE NEW YORK TIMES.

Iran Bombs Iran

While the U.S. hostages were still held captive, some Americans were so outraged they urged Jimmy Carter to bomb Iran — "turn it into a parking lot." Now it is the former Iranian president, Abolhassan Bani-Sadr, who from his exile home in France suggests to his countrymen that bombs might be the right way to answer the governmental terrorism practiced by his former partners.

With the bombing deaths Sunday of Iran's latest president and premier, two of the five top leaders on what amounts to Mr. Bani-Sadr's death list have now been eliminated. The United States — its foot freed from the hostage bear trap — can stand aside as yet another revolution devours its children.

Sunday's carnage was hardly the beginning. Two months ago, another bomb killed the party leader, Ayatollah Beheshti, and about 70 of his followers. And the regime has, throughout, been spilling blood endlessly. Its firing squads have been working overtime since Mr. Bani-Sadr was ousted in June; more than 470 victims have been executed.

And yet a well-organized and deadly opposition network has not been eliminated. Strategically placed sympathizers have given the bombers access to the government's inner-

most precincts. It has been more than 30 months since the Shah's fall, but Iran's revolutionary upheaval still has not rocked to a halt or achieved stability. And that is now the main U.S. interest in Iran. A stable government could restore oil production, defend Iran's borders against opportunistic neighbors and perhaps even improve the lot of a long-misgoverned population.

Washington, however, can do little to promote the return of stability. The one issue that united disparate Iranians in 1978 and 1979 was their passionate rejection of past Western kingmaking. It is probably the only issue that could reunite them behind the embattled clerical regime today. Iran's political course will have to be determined by its own people — or its armed forces.

So the most appropriate course for foreign governments is to do just what the Reagan administration has done since it took office, on the day the bear trap was opened and the hostages were released: stand back. In this case, at least, U.S. diplomatic luck has turned around. The United States harbors no pretensions to the peacock throne; the only hostages Iran now holds are its own.

THE NEW YORK TIMES.

The Next U.S. Tax Increase

Sorry, but it's time to start thinking about the bill to increase taxes.

But, you protest, it's been hardly a month since President Reagan and Congress cut taxes. It was, you say, the grand, final cut in the income tax, designed and built to run forever.

How true. You are entitled to a deep sigh. Mr. Reagan and Congress got a bit carried away with themselves. Those income tax reductions are going to grow larger as time passes. Under the new tax law, there won't be enough money to provide both an adequate national defense and a level of public services that most Americans consider a barely decent minimum. Without a tax increase, the 1984 federal budget, far from coming into balance as Mr. Reagan promises, will be running large and rising deficits. Last month's legislation — the tax cut and the spending cuts together — put the budget on a track that, by 1984, in the absence of further action, would produce a deficit around \$120 billion. There will be some further reductions in spending before then, but it is hardly realistic to expect them to amount to more than a small fraction of that \$120 billion.

What then? If you join us in thinking it important to work consistently toward smaller deficits — and, not incidentally, toward lower interest rates — you will want to look at some of the possibilities. In the distance you can already hear the drums beating for a VAT — a value-added tax, in the European style — but that's merely a federal sales tax and not a very inviting proposition. What else?

First on the list is a national severance tax on oil and gas — a percentage of the well-head price, collected from the producer. It's time to abandon the concept of a windfall, and to make the present oil windfall tax permanent. It's also time to deregulate natural gas, and to tell the natural gas producers that

the price for it is a federal tax. In addition to raising revenue, a stiff severance tax would also serve the useful purpose of slowing down the rate at which the gas and oil industries are drawing investment and profits away from the rest of U.S. business.

Another target is the series of wide-open deductions that Congress should have — but did not — limit when it passed this year's bill. Congress should have abolished the deduction for consumer credit. Why should credit charges be paid in untaxed dollars when the rent and the groceries are not? How about a limit on the mortgage interest deduction?

Why not revive those user charges that Mr. Reagan proposed last March — and hastily abandoned when the private airplane and boat owners squawked? It's not a huge amount of money in comparison with the coming deficits, but it's several billion dollars a year.

All of these suggestions put together do not come to \$120 billion a year, or to half that much. But, if pursued promptly, they would buy a little time while the country comes to terms with the implications of the tax bill that has just been enacted.

The tax bill was intended to force further budget cutting and, despite some obvious errors, the present warring-out of the budget is a healthy process. As Mr. Reagan inherited it, the budget had a lot of stop in it, and most Americans seemed to feel that their tax money was being spent with a good deal less care than it had been earned. But the budget-cutting will reach a point at which voters tell Congress know that it's gone far enough. When that moment comes — and it's evidently not far away — Mr. Reagan and Congress will have the melancholy duty of raising taxes to pay for what's left. It's not too soon to start considering which taxes, paid by whom.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago
September 2, 1906

ROME — In consequence of certain suspicious-looking specks that had made their appearance on the masonry of the new Campanile of St. Mark's, the Venetian municipal authorities recently requested Prof. Luzzardo, a well-known chemist, to make a report on the materials employed in its construction. Prof. Luzzardo states in a preliminary report that the bricks are made of clay from Treviso, while the Portland cement used comes from Casale sul Silio. Both of these materials have a high reputation, but this is the first time that they have been used for a monument intended to endure for centuries. It remains to be seen whether they possess the requisite powers of resistance to the ravages of time.

Fifty Years Ago
September 2, 1931

PARIS — The white man as master has gone from Asia and his position there now is the one of adviser, according to Dr. Herbert Adams Gibbons, American writer on international affairs, who has just returned from eight months of traveling in Africa and Asia. "Things are slipping out of the white man's hands in the Far East, and Asiatic colonization is in a very difficult and delicate state now. By contrast, there is a great opportunity to develop the vast wealthy country of Africa, because there they are ready to accept the superiority of the white man." Dr. Gibbons, who has visited two-thirds of the French colonies, considers that France is in the premier position for direct colonial work in Africa.



Central America: Those Linked Myths

By Abraham F. Lowenthal

LOS ANGELES — Public discussion of Central America's crisis suffers from daily repetition of several linked myths. One set — the myths of U.S. benevolence and malevolence — deals with U.S. motives and impact.

Both the Reagan administration and the left perpetuate the myth of benevolence by saying that they want what is best for Central America's people: freedom, development, equity and the like. But both sides' sudden concern with Central America is more instrumental than benevolent. Washington sees Central America as the easiest place to "draw a line" against the Soviet Union. The left sees Central America as a means of reviving the anti-war movement. Neither side appears to know very much about the region itself.

The myth of U.S. malevolence blames Central America's troubles, particularly its repressive regimes, mainly on the United States. U.S. support for repression surely should be avoided, but Central America's history was very bloody long before U.S. military missions began.

'Second Cuba'

A second pair of myths discusses Central America in terms of a "second Cuba" or "another Vietnam." One view argues that Washington "lost" both Cuba and Vietnam by not opposing the Communists early and forcefully enough. Others contend that Washington helped force Castro into the arms of his eventual Soviet backers, and that more fundamental reforms might have saved Vietnam. Both sides apply their lessons to Central America.

These views mislead, however, both by exaggerating what Washington's role was or might have been in each case, and by missing crucial differences between the Central American situation and those earlier faced. Socially, politically and economically, Nicaragua is not Cuba. There is, furthermore, no Fidel Castro in Managua. And Mr. Castro's own influence reinforces these distinctions, for he has urged Nicaragua's leaders not to emulate his policies. The much-discussed Vietnam analogy is even less apt. Not a single U.S. soldier has died yet in Central

America. Even if U.S. involvement ever escalated to full-scale direct military intervention, the Dominican Republic operation of 1965 would be a closer analogy than the prolonged war in Indochina.

A third pair of myths, of Soviet expansionism and of "falling dominoes" is equally misleading. Much of the discussion of Central America has portrayed the region as a crucial link in the Soviet Union's master plan. The Reagan administration's White Paper on El Salvador claims that more than 800 tons of military equipment has been committed there from Communist sources.

Dominoes?

But the White Paper itself suggests that El Salvador's insurgents have found the Soviet Union cautious and even unresponsive to their pleas. Soviet involvement is being grossly exaggerated, no doubt because "Soviet expansionism" is easier to stop where it is not happening than where it is.

Even less convincing is the assertion that Central America's countries are a set of dominoes, the fall of any of which would topple the others and eventually bring a leftist-nationalist regime to power in Mexico. In fact, even if all Central America were swept to the left, Mexico probably would be pushed to the right. A leftist-nationalist regime would only be more likely to emerge as a response to U.S. military intervention in Central America than to radicalism there.

The myths of the "democratic center" and of "popular revolution" cloud discussion of Central America's domestic politics. The preference of successive U.S. administrations for "democratic centrists" in Central America seems oblivious to the fact that much of the problem there arises precisely from the absence of moderates with whom Washington would feel comfortable. Nor is there much convincing evidence to support the prevailing assumption among liberal intellectuals that popular revolution is likely or even inevitable in Central America. Continued violence and unstable despotism may be more likely.

Finally, it is time to question the myths of Cuban omniscience and U.S. omnipotence.

Those who admire Castro and those who despise him seem to think that Cuban policy almost always succeeds, despite contrary evidence from the Dominican Republic, Venezuela, Bolivia, Peru, Chile, Jamaica and elsewhere. The fact that Mr. Castro's only real ally in this hemisphere, aside from Nicaragua, is tiny Grenada illustrates that there is no reason to be mesmerized by Havana.

Equally dubious is the common assumption that the United States could shape the outcome in Central America if only Washington could choose the right policies on military aid, land reform or human rights. The United States still may be the single most important foreign influence on Central America, but many other external factors affect the region: Cuba and the Soviet Union, Mexico and Venezuela, Israel and the Palestine Liberation Organization, the European Social Democrats and Christian Democrats, the church, the media, business, labor and human-rights activists. And no foreign factor is as significant as the region's own people, every month more fully mobilized. For better or worse, the United States no longer controls Central America.

Hard Question

Debunking the myths that obscure the debate on Central America admittedly does not tell us what to do. That question is hard, to be sure, if it involves analyzing what is at stake for the United States, what is happening in the region and why and how best to achieve U.S. aims.

Reasonable and well-informed people can and do disagree about the nature and the dynamics of Central America's civil strife, about what the United States can do to affect the outcome there, and about how the United States might be affected by alternative outcomes. These issues deserve more attention and debate — but on the basis of careful analysis, not misleading analogies or simplifications.

Abraham F. Lowenthal is a visiting scholar at the University of California Los Angeles Latin American Center. He wrote this article for the Los Angeles Times.

Japan: Patriotism Glimpsed, Once Again

By Ken Ishii

TOKYO — For the first time since the end of World War II, a word that has been taboo has begun to come back into use: patriotism. The term is still referred to somewhat hesitantly in public, for it continues to have militaristic overtones for many Japanese. But the fact the subject can now be discussed at all signifies an important shift in Japanese thinking.

No less than the government has taken the lead in bringing the subject to public attention in a series of actions that can hardly be called coincidental.

For its most recent effort, the government chose its white paper on defense. In a sharp departure from past practice that limited the contents of the annual report to the world military situation and the role of the defense forces, the paper stated (in its summarized translation):

"We must exercise our best efforts to defend our free and peaceful life, our economic prosperity, and our beautiful land from unjust aggression. This is the duty each person has toward his descendants and ancestors. Motivation toward performance of this duty consists of the desire for defense, care for one's country, and the expression of patriotic sentiments.

"Patriotic sentiments are an affection for one's native land and are a natural feeling for any human being who desires his community to develop peacefully."

Defend the Nation

Then it went on to explain: "What is important is how and under what circumstances these feelings should be expressed. True patriotic sentiments are not necessarily limited to the love of peace and love of one's country. In case of emergency, they include the zeal to join together to defend the country."

Until not long ago this sort of exhortation would have invited a political crisis and large leftist demonstrations.

Letters intended for publication should be addressed "Letters to the Editor," and must include the writer's address and signature. Priority is given to letters that are brief and do not request commentary. Letters may be abridged. We are unable to acknowledge all letters, but value the views of readers who submit them.

As expected, several newspapers expressed editorial concern that the tone of the defense paper reflected an unhealthy swing to the right by Premier Zenko Suzuki's administration. Commentators warned that it represented a desire to return to the kind of militarism that brought Japan to disaster. But after a few days, the subject faded into the background, much in the manner of the reaction to the visit by Cabinet members to the Yasukuni Shrine on Aug. 15, the day of Japan's surrender in 1945.

Newspapers front-paged the Yasukuni visit amid charges it violated the constitutional ban on state interference of religious affairs.

Sensitive Subject

There was much hair-splitting over whether the visit was official or private capacities, but in the end, the government's insistence that the visit was as private citizens won out.

Although premiers and even the emperor have in recent years expressed sympathy for the spirits of Japanese soldiers killed in battle are enshrined, never since the war have Cabinet members paid their respects en masse.

For some time a proposal has been circulating at top government levels to declare Aug. 15 a national holiday dedicated to the war dead, with the day's events highlighted by an official visit to Yasukuni by all government leaders. The shrine, in downtown Tokyo, was built during Emperor Meiji's reign to honor the nation's war dead, who include those killed in the Chinese-Japanese and the Russian-Japanese wars as well as in World War II.

It is unlikely the government's proposal will find enough support to materialize in the immediate future, but the fact that such a sensitive subject can now be brought into the open indicates the shifting undercurrent of the national mood.

Few if any Japanese today believe Shintoism can ever again become an instrument of national policy dedicated to the deification of the emperor. But the Japanese have for so many postwar years identified Yasukuni with World War II militarism that they associate it with defeat. The feeling has been that if defeat was the price of patriotism, however misguided, they want no part of it, that patriotism is for victors.

But memories have faded with

time, a new generation is taking over, and economic prosperity is the order of the day. Yet, in the pursuit of material affluence, the Japanese have left themselves in a spiritual vacuum. There has been nothing to replace the values of family and the respect of one's elders that held the social fabric together before the war.

Surveys indicate the Japanese today have little sense of nationhood. To the question of what the Japanese would do if their country were invaded, one survey (by the nationwide daily Yomiuri) found only 20.6 percent willing to fight with arms. Of the remainder, 33.7 percent were prepared to resist only by nonmilitary means, 23.9 percent preferred simply to escape to a safe haven, 6.7 percent favored immediate surrender, and the rest were noncommittal.

As its recent actions indicate, the government has judged the time has come to try to instill in the public a greater sense of identity with the state. But it will have to tread very carefully.

Though calling for patriotism to support a larger defense budget (drawn up under U.S. pressure), the government is aware that most Japanese approve of their defense forces — only half-heartedly, as something that exists for an attack they believe will never occur.

Attitudes are changing to be sure, but only slowly. It would be dangerous to miscalculate the pace of this change. The tendency of the Japanese to identify patriotism with military strength, and military strength with aggression may have lessened but it has not disappeared. Despite government encouragement to do so, a large percentage of the Japanese do not display the rising sun flag outside their homes on national holidays.

Yet, the Japanese traditionally have a great potential for patriotic feeling. For in a society where group loyalty is a virtue, the ultimate group is the nation. No one at international sports events feels a greater sense of pride than the Japanese when their national flag is raised in victory.

The elements were there for the militarists to manipulate in the 1930s and 1940s. As obvious as it is, the government's job is to convince the public that the new patriotism it seeks to inculcate does not mean a return to the old order.

Letters

Qadhafi and U.S.

In the midst of the furor about the recent Libyan incident, I should like to remind readers of the International Herald Tribune that the issue at stake is not whether the United States is being virtuous in being nasty to Moamer Qadhafi, or whether Col. Qadhafi is nice, which he is not. The real issue is to paraphrase a famous U.S. general, "not whether Col. Qadhafi is an s.o.b., which he is, but whether he is Uncle Sam's s.o.b., which he is not. A perusal of recent history will demonstrate the pertinence of this statement.

J.F.T. SPENCER
Montpellier, France.

On Neutron Weapons

Demonstrations in front of the U.S. Embassy are fine for meeting friends and getting your picture in the papers, but the youth of Europe can and should do more to prevent deployment of the neutron bomb here. The ostensible and possibly even the real reason is to

The Perfect Out

By Paul Quinnett

SPOKANE, Wash. — At least one of the reasons proffered by the air-traffic controllers for their strike was that, as a group, they were "burned-out." To a psychologist who tries to keep up with the latest fads in psychological infirmities, this increasingly popular phraseology caught my attention. I know that burn-out is ravaging medicine, psychology, education and most of the helping professions, but was unaware it had jumped the fire lines into the ranks of the air-traffic controllers.

Burn-out as a fresh clinical syndrome has, as yet, had only a dubious scientific reputation and a small but ardent following, even though some clinicians have been betting that burn-out would, with the 1980s, emerge as the victor among the host of emotional maladies visited upon 20th-century Americans.

Ripe With Promise

The idea of burn-out, or rather people burning out at various points in their tribulations on the planet, is ripe with promise for the rest of the decade. A frustrated people stand ready and waiting for an answer to that chronic and uniquely American question, "What's wrong with me anyway?" From my reading on the problem (which is considerable and, I assume, if overdone can bring on the disorder) the syndrome is sufficiently vague, even shadowy, that its signs and symptoms can be loosely fitted to almost anyone who has been frustrated in his or her quest for perfect contentment. This, as I see it, is a great improvement over more rigorous attempts to define what is wrong with people.

When the latest version of the American Psychiatric Association's catalog of ills, the "Diagnostic and Statistical Manual, III," rolled off the presses last year my first reaction to the expanded list was that it was a great improvement and that the public and clinicians everywhere would have to get busy inventing a problem more general in scope. The listings of proper psychiatric infirmities in the new manual are simply too narrow to be of any practical use to a nation as exasperated and introspective as ours.

Develops Slowly

The burn-out syndrome, as I understand it, develops slowly, is progressive in nature and insidious in onset and course. It sneaks up on people. Where they thought they were tired, bored, apathetic about their work or even underpaid, they can now see themselves as victims of inhumane systems and that new naivete, stress.

Ultimately, this spanking-new malady is sufficiently obscure in meaning, encompassing almost any complaint or dissatisfaction with the way things are, that I believe people can hardly diagnose themselves and each other, then get busy searching for a cure.

No Remedy

Finally, because there is no accepted remedy for burn-out, I think we have stumbled upon a worthy and thoroughly modern concept with which to label our discontent. It fits nicely with the increasingly popular view that humans, like androids, are a complicated series of relays, switches, condensers, resistors and so forth and thus amenable for a new kind of medicine.

While someone else looks for a cure, burn-out — the visual image of which is a pile of cold ashes — covers our personal failures much better than ordinary forms of irresponsibility to ourselves and others. It gives us, as I see it, the perfect out for which we have waited so long.

Paul Quinnett, a writer and psychologist, is director of the Spokane Mental Health Center. He wrote this article for The New York Times.

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An information message prepared by the Press and Publications Department, Ministry of Information, on the occasion of the 10th anniversary of independence of the State of Qatar.



HH the Emir of Qatar, Sheikh Khalifa bin Hamad al-Thani.

Qatar Celebrates 10 Years of Independence.



HH the Emir of Qatar, Sheikh Khalifa bin Hamad al-Thani.

Education is the key to independence and development.



Graduation Day at Qatar University is an important symbol of development and progress.

was not enough to cope with the problems of the modern state. Sheikh Khalifa set about hiring teachers from sister Arab states who could bring education combined with understanding of the Arab and Gulf way of life, restoring rather than destroying the Qatari culture. In 1956 the first state school opened its doors to 100 boys. The education movement spread quickly and within a few years there were several thousand children, boys and girls in separate schools, pressed by education starved parents to make the most of this great opportunity. Education brought confidence, and also sowed the seeds which would be reaped some twenty years later, when those young boys returned home to Qatar from studies at foreign universities to take up posts of senior responsibility, replacing foreign management. The education system now caters for more than 40,000 young people and offers every stage of studies from primary school to university. Qatar's university which was given its charter by HH the Emir in 1977, and has now seen four issues of graduates is steadily expanding and offering more and more facilities as the educational standards of the school children increase, and especially since girls are now keen for higher studies. Attempts are made to link university studies to the country's needs particularly in providing teachers and scientists. For example a new engineering faculty was opened last year. Technical education has also been available for some years as Qatar prepared its youthful manpower to work on industrial projects with the aim of reducing dependence on foreign manpower in the long term. HH the Emir Sheikh Khalifa bin Hamad al-Thani summed up the importance of education in Qatar's development when he said that the individual "... is both the means of all the progress we seek, and the

aim of all the prosperity we desire. We are doing our utmost and following the best course so that our youth can absorb from education what is most useful for our country, and derive from experience what is most beneficial in our circumstances. In this manner, each of them can qualify for assuming public responsibility and enhance—by his awakened mind and enlightened experience—the great and continuous efforts we are making to elevate this country and increase its strength." Once independence was achieved ten years ago, HH Sheikh Khalifa began to introduce changes into the state which would indeed allow the people to play their full part in the development of the state. After ascending to the position of Emir in February 1972, HH the Emir lost no time in establishing an Advisory

form a contact between government and the people. In Qatar, the Emir has always been totally accessible to his people, but clearly the constraints imposed by a fast modernising society required new forms of contact. Each year as its members acquire experience, the Advisory Council is accorded more powers and a wider range of involvement by HH the Emir, who believes that democracy like education cannot be acquired overnight if it is to be meaningful but must be allowed to develop at a pace which the society can absorb. A similar policy has been adopted in the growth of the civil service. In the early days before independence as HH Sheikh Khalifa as Crown Prince and Prime Minister worked to establish a framework of government, it was necessary to rely on Arab advisers brought from friendly coun-

tries, simply because the experience required to deal with international oil companies, and the development of the state and economy in a twentieth century context had not yet been acquired by the people of Qatar. But over the past few years, almost every senior post throughout

the government at the level of undersecretaries and directors of government departments has been put in the hands of Qatari graduates. This gradual approach to development has meant that Qatari representatives can now play a full role for their country in the international as well as domestic fields, confident of the experience they have acquired. Qatar had expressed the firm belief that it had a commitment to fulfill its international community and especially to the less-developed countries whose plight it understood only too well. Thus Qatar through its representatives in the United Nations and other world bodies has been working hard on the campaign to gain radical change in the relationship between the advanced industrial and the poor developing countries—the so-called North-South dialogue. For just as HH the Emir decided wisely that Qatar's security and prosperity lay in ordered economic development, education and social progress, so education and social progress, so education, to produce a greater level of equality throughout the world, is the only way to ensure world peace. On the regional level this has led to the creation of the Gulf Cooperation Council last May, a step for which Qatar's Emir had been calling for a decade or more. The purpose of the Council is to ensure that the states of the Gulf work together as one to develop the entire region to the benefit of all and to ensure that a new level of understanding is achieved, with positive effects on the stability of the region, decreasing the risk of opportunities arising for foreign intervention. This philosophy also applies to the Arab world as a whole, where Qatar is contributing to the development of the Arab Decade of Development—a plan set up by an Arab

League Summit meeting in Amman, developing all the poorer countries of the Arab region so that a more equitable economic framework may help to remove inter-state frictions and strengthen the security and solidarity of the Arab world as a whole. All this however is threatened because of the aggression of Israeli zionist leaders whose sole concern is to destroy the Palestinian nation and also to destroy the economic achievements of the Arab world as evidence by the attack on a nuclear plant in Iraq. The development of the Gulf, the Arab region and the entire developing world is vital to the peace and prosperity of mankind as a whole, including the people of the advanced industrial countries, who will also lose heavily if the world is plunged once more into international conflict because of the warmongering of a small state which refuses to accept the decisions of international law or even basic human rights.



A modern capital city, Doha, stands where once there was only desert.

On September 3 1971, Qatar, a small peninsula state in the heart of the Arabian Gulf, broke the ties which had held it under British sway for more than a half a century and took control of its own future. Appropriately, the declaration of independence was broadcast to the people of Qatar, by HH Sheikh Khalifa bin Hamad al-Thani, the Crown Prince and Prime Minister at the time, who six months later was to formally take over the reins of power as Emir of Qatar. HH Sheikh Khalifa had been working for more than a decade to build up a state administration and to prepare the ground for economic development, so that when the day came that Qatar would at last stand free from foreign influence, its people would be prepared and ready to take responsibility for their future. Oil was discovered in Qatar in the late nineteenth century, and every Qatari knew instinctively that this was a great blessing bestowed on the country, which if properly exploited would mean that the days of

hardship, where a living could be squeezed from pearl diving—a long exhausted trade—coastal fishing, or local trade between Gulf ports, were over for ever. But the oil did not begin to flow until 1949, because of the Second World War, and when it did flow, the people of Qatar received little of the revenues, and few benefits. The fact that oil was being produced in Qatar did not mean automatic development, for the oil companies concerned were not interested in the local people and their welfare. If the state of Qatar was to develop, and if the revenues of oil were to be used to the benefit of the people, they had to gain control of their destiny and resources. HH Sheikh Khalifa at the beginning of his career in administration in the mid fifties, knew that the first step had to be education. Qatar had no formal schools offering a modern academic syllabus—only the traditional Koranic schools, where boys learned the precepts of Islam at the feet of a teacher in the mosque, offered some learning, which though important



HH the Emir, Sheikh Khalifa bin Hamad al-Thani at the inaugural meeting of the Gulf Cooperation Council in Abu Dhabi last May.

Council—a particularly Arab form of government structure, modelled on the traditional council of elders. Representatives of all the prominent families in Qatar were appointed to the body, to discuss the measures being taken by ministers to develop the state, and to present ideas and

tries, simply because the experience required to deal with international oil companies, and the development of the state and economy in a twentieth century context had not yet been acquired by the people of Qatar. But over the past few years, almost every senior post throughout

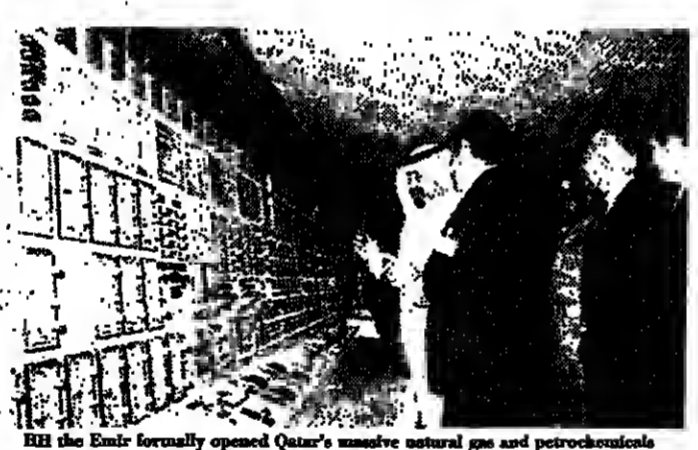
the government at the level of undersecretaries and directors of government departments has been put in the hands of Qatari graduates. This gradual approach to development has meant that Qatari representatives can now play a full role for their country in the international as well as domestic fields, confident of the experience they have acquired. Qatar had expressed the firm belief that it had a commitment to fulfill its international community and especially to the less-developed countries whose plight it understood only too well. Thus Qatar through its representatives in the United Nations and other world bodies has been working hard on the campaign to gain radical change in the relationship between the advanced industrial and the poor developing countries—the so-called North-South dialogue. For just as HH the Emir decided wisely that Qatar's security and prosperity lay in ordered economic development, education and social progress, so education and social progress, so education, to produce a greater level of equality throughout the world, is the only way to ensure world peace. On the regional level this has led to the creation of the Gulf Cooperation Council last May, a step for which Qatar's Emir had been calling for a decade or more. The purpose of the Council is to ensure that the states of the Gulf work together as one to develop the entire region to the benefit of all and to ensure that a new level of understanding is achieved, with positive effects on the stability of the region, decreasing the risk of opportunities arising for foreign intervention. This philosophy also applies to the Arab world as a whole, where Qatar is contributing to the development of the Arab Decade of Development—a plan set up by an Arab

League Summit meeting in Amman, developing all the poorer countries of the Arab region so that a more equitable economic framework may help to remove inter-state frictions and strengthen the security and solidarity of the Arab world as a whole. All this however is threatened because of the aggression of Israeli zionist leaders whose sole concern is to destroy the Palestinian nation and also to destroy the economic achievements of the Arab world as evidence by the attack on a nuclear plant in Iraq. The development of the Gulf, the Arab region and the entire developing world is vital to the peace and prosperity of mankind as a whole, including the people of the advanced industrial countries, who will also lose heavily if the world is plunged once more into international conflict because of the warmongering of a small state which refuses to accept the decisions of international law or even basic human rights.

Oil fuels Qatar's Industrial Development

In February 1973, on the first anniversary of his accession, HH the Emir of Qatar Sheikh Khalifa bin Hamad al-Thani addressed the nation to review past progress and to set the seal on a surge of development which would bring Qatar into the industrial world by the end of the decade. The plans outlined included urban development, expansion of electricity and water supplies, road networks, telecommunications, housing, hospitals and perhaps most important of all, in the light of Qatar's desire to secure an economic base for the post-oil era, concentrated investment in the new industrial estate at Umm Said. The Umm Said industrial estate was to be devoted to heavy industry, making use of cheap energy and feedstock from oil and gas to produce highly marketable export products. 1973 was a turning point for Qatar's

provide the financial boost necessary to get massive industrialisation projects underway. Since that year, production has run at slightly lower levels in accordance with the state policy of preserving its natural wealth and balancing production as far as possible with the state's economic requirements. Before 1973 some industry geared towards the domestic market had already begun production, notably a flour mill, and a large cement factory at Umm Bob which was vital to the construction programme to follow. But from 1973 onwards industrialisation gathered pace. In that year the first plant for Qatar Fertiliser Company began production, producing ammonia and urea for the export market. The Company witnessed a major expansion in 1979 when a \$300 million second facility went into production. 1974 saw the NODCO oil refinery

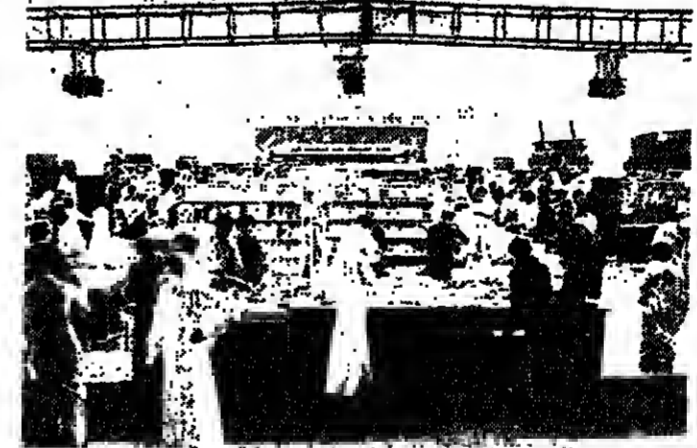


HH the Emir formally opens Qatar's massive natural gas and petrochemicals complex completing the Umm Said project last February.

completion of all the basic elements of Qatar's heavy industrial sector, but also confirms the state's place as an exporter of industrial sector, but also confirms the state's role as an exporter of industrial goods other than oil and its immediate derivatives. For a desert state which has passed into the technological age without all the stages of industrialisation experienced by most advanced industrial nations, the creation of the Umm Said complex on a stretch of barren desert relieved only by the presence of a natural harbour, is something of a miracle, especially in a time span of little more than a decade. That it has been achieved successfully is a testament to the sound judgement and planning on which it is based, and the steadfast persistence and determination of the government to succeed despite the obstacles and difficulties which have inevitably arisen, and which might have tempted a less committed nation to abandon their dreams. From the beginning HH the Emir, stressed the need for planning, and the Industrial Development Technical Centre was established with help from UN agency experts in 1972 to coordinate activities of concerned ministries and to provide feasibility studies and marketing advice. But Qatar also knew that such ambitious industrialisation could not be achieved without outside help in the form of technology, management and marketing experience. Yet the government wanted to be sure that such costly requirements would not be a waste of vital revenues, with foreign companies simply looking to make quick profits rather than help in Qatar's long term development. The entire Gulf, including Qatar, had experienced such problems during the reactory rush for development in the mid-seventies, and the Qatar government had swiftly stopped inflated contracts before

damage was inflicted on the economy. Since the sums of money being invested in heavy industry were large and irrevocable the nature of arrangements with foreign companies was critical. The Qatar government decided that limited partnership arrangements, with the foreign company concerned holding a minority share in the project, would be in the best interests of all concerned. Moreover the international parties concerned are drawn from a number of different countries, the Qatar government being fully aware of the dangers of putting all their eggs in one basket. Now as Qatar celebrates its tenth anniversary there is time to look back with pride on the progress of its infant industry, but there is no respite from the inexorable process of building a totally secure economy before the flow of oil revenues dwindles. A high powered government commission is currently studying a variety of proposals for the exploitation of Qatar's North Field natural gas reserves, estimated to be among the largest single concentrations of gas in the world. If the proposal to set up a Liquefied Natural Gas project is accepted, this will be Qatar's largest single investment involving a total capital greater than all the existing industrial facilities, and requiring considerable international participation. The decision is vital to Qatar's economic future and will be made in the near future. Meanwhile no less important is the encouragement being given by the state to the private sector to establish light industries to reduce the volume of imported manufactured goods, another step on the road to self-sufficiency. As yet most industry has been achieved by the state sector alone, and the enthusiasm of the private sector will be the acid test for how far Qatar's industrialisation has succeeded in transforming the commercial mentality of the society in general.

There can be no more appropriate tribute to the social and culture development achieved in Qatar in the past ten years than the opening of the National Theatre. Qatar's National Theatre stands in a superb position overlooking the blue sea of the bay of Doha, and forms an integral part of the array of architecturally pleasing government buildings which line the Corniche, which itself is undergoing a rapid transformation to become the focus of leisure activities as the city of Doha looks to the year 2000. The National Theatre will offer the community a chance to enjoy their own traditional culture in comfortable surroundings equipped with the

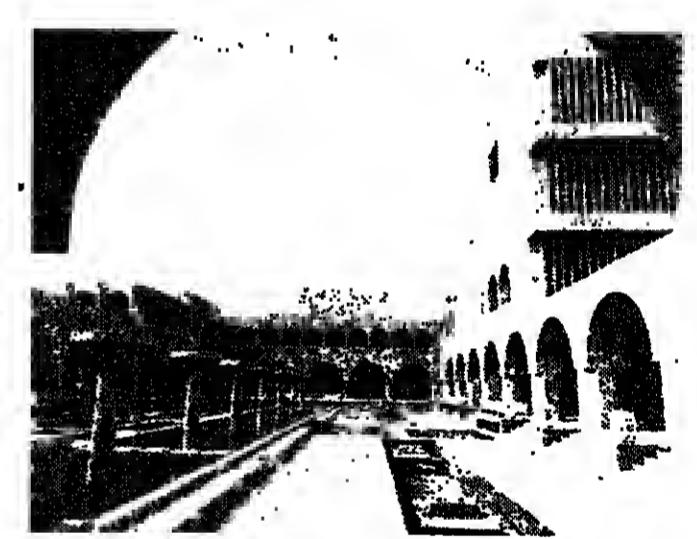


Book fairs provide a window on literary developments in the Arab World and beyond.

very latest stage technology. But it will also provide a venue for visiting companies from the Gulf, the Arab world and beyond. For despite the wide availability of video and television in most homes here, even the younger generation prefer live entertainment. This preference is demonstrated at every festival and state occasion when poets, musicians and dancers gather to perform in the open air near the National Museum. Huge crowds gather to join in singing the ballads of the sea and chants of the desert which have not lost any of their popularity despite the changes that have overtaken the society in its rapid development. The National Museum, housed in the restored compound of buildings which in former times was the Ruler of Qatar's Palace and residence, stands at the opposite extremity of the bay to the National Theatre and provides a fine counterbalance. Where the Theatre is a fine example of modern Islamic architecture of its best, the museum buildings are virtually unique as an example of original Qatari architecture of the past century. The museum was established in the mid-seventies for the precise purpose of ensuring that the people of

Qatar did not lose their identity as the technology of the outside world invaded a once relatively secluded society. A team of leading citizens was asked by HH the Emir to visit the older people throughout the country and persuade them to donate their artifacts from the past way of life so that the entire spectrum of life in the pre-oil era could be reflected in the museum. Audio visual aids also offer filmed reconstruction of the life of the pearl-diver and the people of the desert. Ancient flintlocks and muskets silverly decorated with pearl and amir bring to life the battles fought to prevent domination by foreign

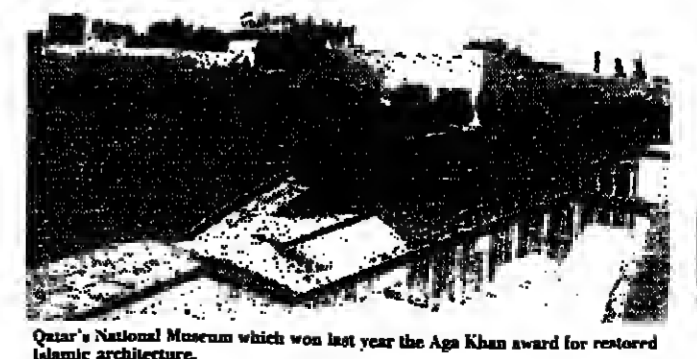
Development does not mean loss of identity for Qataris



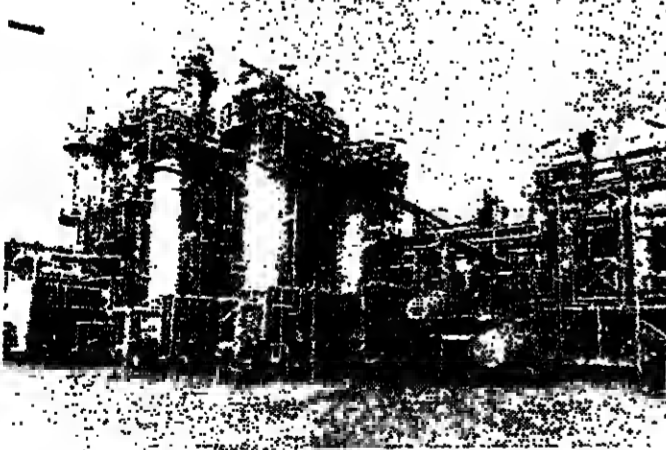
Today the fountain will play for the first time in the courtyard of the new National Theatre.

traditional arabesques to the world around them. Artistic endeavour is encouraged by the state which organises frequent exhibitions and arranges for the young artists to show their work abroad. Recently a studio was set up where people young and old can go to learn the rudiments of artistic expression in an atmosphere of fun and relaxation, and emphasis is now being placed on artistic appreciation in schools. For the wider audience, Qatar Television has now made considerable headway in producing its own programmes—dramas as well as documentaries. During the holy month of Ramadan recently, several major series entirely produced by the Qatar television studios company were shown and much appreciated both for their quality and content. But again it was noticeable that there is a strong emphasis on tradition and the past. The most popular series, Dano, concerned the life of a community of fishermen and pearl-divers in one of Qatar's coastal vil-

lages. Beautifully filmed on location it was a strong reminder of how harsh life could be before the days of oil. A major stabilising factor in Qatar's cultural formation is the adherence of the people to their belief in Islam. Islam is more than a set of dogmas, it is a complete way of life regulating social behaviour, law and justice, commerce and trade, every possible aspect of existence. It thus provides a secure framework within which the individual can develop without fear of losing his identity. This factor, which provides the cement for the entire society and prevents the feeling of alienation commonly experienced in many developed countries, explains why the people of Qatar have passed through one of the most dramatic social and economic transitions in the world, yet still maintain an inner peace and tranquility, and demonstrate a friendship and hospitality, reminiscent of the old days when the pace of life was much slower and the world was not at Qatar's doorstep.



Qatar's National Museum which won last year the Aga Khan award for restored Islamic architecture.



No-one believed twenty years ago that the desert could be industrialised.

economic development in many ways. In accordance with decisions of the Organisation of Petroleum Exporting Countries (OPEC) which Qatar had joined at its second meeting in 1961, the state had begun negotiating partnership arrangements with the oil companies who had previously only paid royalties and totally controlled the oil industry. A holding company, Qatar National Petroleum Company, was established to look after the state's interests—this later became Qatar General Petroleum Corporation. By July 1976 Qatar's oil interests were totally nationalised. At the end of 1973, Qatar was party to the OPEC decision to raise the price of crude oil by some 300 per cent, thus realising a fair price for its sole source of wealth for the first time. In addition, with all its major on-shore and off-shore fields in production, Qatar in 1973 achieved its highest rate of oil exports at 27.05 million long tons to

go on stream with a capacity of 11,000 barrels a day providing diesel oil and gasolines for the local market as well as jet fuel for the increasing traffic at the airport. Qatar Steel Corporation began production in 1978 and has proved to be one of the state's most successful industries, producing reinforcing bars for the construction industry most of which are exported to neighbouring Saudi Arabia. While these companies formed a solid beginning to industrialisation the real dream was yet to be realised. As early as 1974 studies began, in conjunction with French Company Cdf Chemie, to establish a world scale petrochemicals project (Qatar Petrochemical Company) in Umm Said. The plant which has cost a total investment of around \$675 million was formally inaugurated along with the accompanying NGL II plant in February 1981 by HH the Emir Sheikh Khalifa bin Hamad al-Thani. The plant not only marks the

BUSINESS NEWS BRIEFS

Trusthouse Forte in 1-for-4 Rights Issue

LONDON — Trusthouse Forte said Tuesday it will raise a net \$243 million through a one-for-four rights issue of 77.8 million shares at 112 pence a share.

The company plans to recommend a final dividend of not less than 4 1/2 pence a share for the year ending Oct. 31, equal to last year's final after adjusting for the recent capitalization issue.

Trusthouse Forte said higher investment spending has increased financing charges and will result in lower pretax profit than last year's \$266 million.

Toray Develops New Material for Semiconductors

TOKYO — Toray Industries said Tuesday it has developed an entirely new photoresist, heat-resistant coating material for use in the semiconductor and electronics industries.

It said it plans to market the new coating material, which will replace inorganic materials such as silicon dioxide used to insulate and protect layers for semiconductors, from later this year. It said the material, named Photocross, uses material which is heat resistant, an electrical insulator and photosensitive.

Sime Darby Says Malaysian Group Holds 19.7%

SINGAPORE — Sime Darby said Tuesday the Malaysia Mining Corp. has held 113.36 million of its shares, representing 19.7 percent of its issued capital, since Aug. 22.

Sime Darby in another disclosure to the Singapore stock exchange said that Permodalan Nasional, Malaysia's national unit trust, is the beneficial owner of 30.13 million Sime shares, representing about 5.2 percent of its issued capital.

United Motor Works, Toyota in Franchise Pact

KUALA LUMPUR — The Malaysian engineering and vehicle distribution group, United Motor Works (Malaysia) Holdings, will be the majority partner in a new company formed to take over the overall Toyota franchise in Malaysia, a UMW announcement said Tuesday.

Toyota Motor Sales has appointed UMW as project manager for the new venture, which should be in operation by Jan. 1, 1982, subject to the necessary approvals by the Malaysian government, the announcement said.

RCA Unit in \$180-million Satellite Pact

PRINCETON, N.J. — RCA American Communications, an RCA subsidiary, said Tuesday it agreed in principle to supply Alcomsat with satellite communications services through 1991.

RCA American said it will sell its Satcom V communications satellite now under construction to Alcomsat and provide tracking, telemetry and command services under the agreement. The RCA unit said the value of the contract over the 10-year period was about \$180 million.

The RCA unit said it also will provide Alcomsat, its largest customer, with communications services over Satcom II. The RCA unit said Satcom V is slated for launching in October, 1982.

Japan Forecast to Surpass U.S. in Per Capita Income

TOKYO — Japan will outstrip the United States in per capita national income by 1990, a Japanese private research body, the Research Institute of National Economy, said Tuesday.

The institute said in a projection on the Japanese economy for the 1990s that the dollar will drop to 130 yen by 1990 from the present 232 yen.

It also said Japan's real economic growth will rise by an annual average of 4.5 percent, compared with 2 percent in the United States, 2.1 percent in West Germany, 3 percent in France and 1 percent in Britain.

Japan's nominal gross national product will rise to \$3.57 trillion in 1990 from \$1.05 trillion in 1980 with per capita national income increasing to \$23,100 from \$8,990, the institute said.

U.S. nominal GNP will grow to \$6.75 trillion in the period from \$2.56 trillion, and its per capita national income will rise to \$27,730 from \$10,577, it said.

The prediction is based on the assumption that the world oil market will continue easy throughout the decade, with consumer countries' oil consumption holding around present levels, it said.

There is a danger, however, that world expenditure on arms may increase rapidly from the present level of \$300 billion a year, spurring inflation and disturbing the private sector economy.

Separately, Toshio Komoto, director general of Japan's Economic Planning Agency, said Tuesday it is still necessary to take new measures to stimulate the economy even if state finances are weak.

He held a press conference that his agency will analyze various economic indicators more precisely later this month.

Mr. Komoto noted Japan's economic recovery is still slow while its current-account surplus is larger than expected.

The Finance Ministry reported meanwhile that budget requests by government agencies, in response to a squeeze on public spending requested by Premier Zenko Suzuki, will show a rise of only 5.7 percent for the 1982 financial year starting next April.

This is the lowest year-to-year rate of increase since the Second World War, the sources said.

In a report on the private sector, the semi-official Japan Development Bank said Japanese industries plan active capital outlays this year and next, indicating they are heading for a new period of expansion after overcoming the impact of higher oil prices.

A survey made by the bank last month of 1,817 leading companies showed they plan to increase capital spending by 12.3 percent in fiscal 1981 ending next March and by 10 percent in fiscal 1982.

The sustained increase in equipment investment, after rises of 10 percent in fiscal 1978 and 9 percent in fiscal 1979, reflects Japanese industries' strategy to open a new era of expansion taking advantage of latest technological developments, the bank said.

Whereas Japan's economic growth in the 1960s featured simple expansion of production capacity, present new capital outlays are aimed at research and development, introduction of new processes, and saving of energy as well as capacity increases, it said.

Specific targets of capital spending include seamless steel pipe manufacturing, new steel production processes for energy conservation, switching of oil-burning power plants to coal or liquefied natural gas, and manufacturing of sub-compact cars, it said.

French Wholesale Prices PARIS — French wholesale prices rose 1.2 percent in July after an upwardly revised 1.6-percent June increase, the National Statistics Institute said Monday. The year-on-year rise was 13.3 percent against 12.2 percent in June.

Businessmen Gloomier on Outlook in U.S. Than Reagan

NEW YORK — A survey of nearly 40 U.S. corporate executives shows that most corporations are predicting next year's growth in the gross national product to be somewhere in the range of 2 to 3 percent, less than the 4.2 percent forecast by the Reagan administration.

The executives are a bit more optimistic on inflation, but few corporate inflation assumptions fall substantially below the administration forecast of an 8.25-percent increase in the consumer price index in 1982. Most executives say their 1982 budgets assume inflation of 8-to-10 percent, 9 percent is a typical figure, although some assumptions run above 10 percent.

Most of the executives questioned favorably view the Reagan tax and economic program. Eventually, they say, it will help bring about increased productivity and prosperity, but they still see large federal deficits and borrowing with reduced, but still lofty, inflation and interest rates taking the edge off demand.

Though welcome, the Reagan program does not seem especially influential when it comes to the executives' particular business decisions. "The tax cut program could be helpful in general," says Paul O'Neill, vice president for planning at International Paper, "but it isn't likely to help us directly in terms of real numbers." He sees 1982's real GNP rising "marginally lower" than administration forecasts and inflation marginally higher.

Bliss & Laughlin, the construction firm, is especially optimistic about inflation. The company sees it dropping to 6 percent next year. Real GNP will advance by 3.7 percent, the company expects, less than the administration forecast. But all that, E.T. Collinsworth Jr., chairman and chief executive officer, is subject to rapid change.

"We're either going to go up or we're going to have a dramatic downturn," he adds. "I don't really see an in-between."

The course of interest rates is the chief cause of uncertainty. Many executives expect a decline from recent prime rates of around 20 percent on short-term loans to solid businesses, but the amount of the decline is guesswork. Some executives think the prime rate could fall as low as 10 percent next year. Most executives cluster loosely around 15 percent. Long-term rates are fore-

cast at perhaps 12-to-15 percent. But some executives also expect that any big decline in rates will be followed by another rise of unworkable severity and duration.

"Interest rates are definitely going to be higher next year than I would have anticipated earlier this year," says William Seidman, vice president of Phelps Dodge, a mining company. "The government hasn't yet proved it can do anything about the deficit, and that'll keep the outlook weak for lower rates."

J.C. Penney, the third largest U.S. retailer, expects the economy to improve in 1982, with an increase in real GNP of only 3.5 percent. The chief economist for American Telephone & Telegraph, Kenneth Miller, says, "We expect GNP to grow about 2 or 3 percent, helped by the two tax cuts. We see some improvement in inflation, but not a lot."

At Savin, which makes copiers and word-processing machines, Daniel Coughlin, senior vice president for finance, sees 9 percent inflation and "a small reduction" in GNP in 1982. Like many others, Savin is budgeting only a modest increase in capital spending next year, to around \$100 million from \$95 million in 1981.

Texttron makes no single economic forecast. The diversified company requires each of its 25 divisions to make its own forecast. Nonetheless, says William Ledbetter, executive vice president for finance and planning, Texttron expects "slight growth, under 3 percent" in the GNP, and is "hoping for 8 to 9 percent" inflation.

At W.R. Grace, the chemical concern, senior vice president and chief economist Leonard Kamsky, who is enthusiastic about the Reagan program, expects a real GNP increase around 2.5 percent. "High interest rates are having a very depressing effect," he says. He does expect interest rates and inflation to decline in 1982.

Another enthusiast of the Reagan program is James F. Smith, chief economist for Union Carbide, which expects a 3.3-percent increase in real GNP in 1982 and a 4.2-percent increase in 1983.

"Interest rates are overdue to plummet," he says. He expects the prime rate to average 15 percent in 1982 and to hit 13-to-14 percent by the end of the year.

Three appliance makers, Whirlpool, Sunbeam and Maytag, give high marks to the Reagan program. None says it has created major changes in corporate budgets, however. "We will reexamine our plans after we see the effects of the first round of tax cuts on Oct. 1," says Andrew Takacs, vice president for government and public relations at Whirlpool. But chairman John Flatts says that partly because of the tax cuts, he expects a 4-percent increase in real GNP in 1982. Sunbeam expects a slight increase, Maytag a "very slow and modest increase." However, unit sales by the appliance industry are expected, at 6 or 7 percent, to exceed next year's growth in GNP.

The department said shipments fell \$1.21 billion, or 0.7 percent, after rising 2.4 percent in June. The backlog of unfilled orders rose \$3.83 billion, or 1 percent, to \$328.7 billion. Unfilled orders declined 0.2 percent in June.

The department said durable goods industries accounted for the total July increase in new orders, going up \$2.2 billion, or 2.5 percent, to \$90.5 billion.

Within durable goods, aircraft and parts industries' orders, which the department said are quite volatile from month to month, rose \$2 billion, or 50 percent, to \$6.1 billion after declining 30 percent in June.

The department reported that construction spending fell 1.5 percent in July to a seasonally adjusted annual rate of \$235.1 billion after a revised 0.4 percent decline in June. Originally, June construction spending had been reported off 1.5 percent. Despite the July decline, construction spending was up 8.6 percent from a year earlier.

Construction spending, as measured in inflation-adjusted dollars, fell 1.9 percent in July to a seasonally adjusted \$152.4 billion. July spending was 2.1 percent higher than a year earlier.

Meanwhile, a Conference Board report Tuesday said new authorizations of capital spending by the 1,000 largest U.S. manufacturing companies rose 5 percent in the second quarter, to a seasonally adjusted \$29.1 billion.

Actual capital spending among the 1,000 firms rose only 2.5 percent in the second quarter over the first quarter, it added.

Trade Gains Cut Deficit in Germany

WIESBADEN, West Germany

West Germany's current-account deficit narrowed in July to 3.1 billion Deutsche marks from a 3.5 billion-DM deficit in June while the trade surplus more than doubled, the Federal Statistics Office reported Tuesday.

From Frankfurt, the Bundesbank said that after adjustment for seasonal factors, the current account was "rather near" balance in July.

The statistics office said the July current-account deficit was smaller than the 4.9-billion-DM shortfall in the year-earlier month.

The cumulative deficit for the first seven months of 1981 was 17.6 billion DM compared with 17.3 billion DM in the year-earlier period. This comprised a 10-billion-DM trade surplus, a 12.5-billion-DM deficit on services and a 1.5-billion-DM deficit on transfers.

The trade surplus in July rose to 3.7 billion DM from 1.7 billion-DM surplus in June and a 98-million-DM surplus in July 1980.

July exports totaled 36.3 billion DM and imports 32.6 billion DM, up 24 and 12 percent, respectively, from July 1980. Exports in the first seven months rose to 224.6 billion DM, up 9 percent on the year-earlier period, while imports climbed 7 percent to 214.6 billion DM, the statistics office said.

The Bundesbank said the overall balance of payments swung into a surplus of 3 billion DM in July after a deficit in June of 1.46 billion DM. The capital account showed a surplus of 5.7 billion DM in July after a 1.92 billion-DM surplus in June.

Separately, the Bundesbank announced that the federal government plans to issue 1.6-billion-DM of 10-year bonds bearing a coupon of 10 1/2 percent and an issue price of 99.25 to yield 10.88 percent — a level most market participants deemed too low to find ready acceptance.

French Wholesale Prices PARIS — French wholesale prices rose 1.2 percent in July after an upwardly revised 1.6-percent June increase, the National Statistics Institute said Monday. The year-on-year rise was 13.3 percent against 12.2 percent in June.

Whereas Japan's economic growth in the 1960s featured simple expansion of production capacity, present new capital outlays are aimed at research and development, introduction of new processes, and saving of energy as well as capacity increases, it said.

Specific targets of capital spending include seamless steel pipe manufacturing, new steel production processes for energy conservation, switching of oil-burning power plants to coal or liquefied natural gas, and manufacturing of sub-compact cars, it said.

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West German Banks Develop Credit Card

By John M. Giddes

BONN — West German banks, abandoning a long-held position, have decided to launch their own credit card in a bid to protect their market from what they see as inroads by outsiders, particularly Visa International Inc.

Traditionally, West German banks have warned that credit cards draw business away from branch banks, endangering the banking structure. Moreover, they have contended that cards threaten the economy by spurring inflationary spending and turning credit decisions over to department stores and gasoline companies.

They have also resisted credit cards as a harbinger of electronic banking, which could require an expensive conversion.

This year, however, disappointing financial results have forced many West German banks to take a closer look at their branch networks and to consider electronic banking's cost-cutting benefits. Adding impetus to the move is a renewed push in West Germany by Visa International, long blocked from the market by the solid opposition of West Germany's banking community.

Upgrading Check Card The framework for the new credit card system is being set up by the German Bankers Association, whose members hold some 80 percent of all deposits. The system, still in its planning stages, is likely to link all banks under the company, through which credit cards, travelers checks and automatic banking systems would be launched.

One proposal under discussion, officials said, would upgrade a widely used check-guarantee card for use in both automatic banking and credit-card transactions.

"If there already is a tendency toward plastic cards," a spokesman for the bankers association said, "then it should at least come" from West German banks.

Banks have been successful so far in resisting credit cards because of consumers' tendency to save money and avoid buying on credit. West Germans save about 13 percent of their earnings. The only credit cards to gain a foothold here, American Express and Diner's Club, have directed their appeal mainly at more affluent consumers and have tended to ignore the general market.

Closing Banks Now, however, West German banks are being threatened in the mass market by Visa. After being rebuffed in its efforts to find a West German bank to issue its card, Visa turned to Bayerische Motoren Werke, the maker of BMW cars, for help in soliciting new cardholders. West German bankers fret that other sponsoring companies could quickly be lined up.

The bankers have responded by closing ranks. A long-standing rift among banks about sponsoring a travelers check was suddenly healed last week, when West German commercial banks withdrew from a European plan to sponsor a continent-wide traveler's check. Instead, they joined West German savings banks and signed a three-year contract with American Express Co. to sell its travelers checks.

That three-year contract may be only a stop-gap measure. With West Germans spending the most money internationally on travel, banks are unlikely to pass up the chance for launching their own travelers checks when the contract ends.

Until then, the American Express agreement allows the banks to concentrate on new programs for electronic banking and credit cards, the areas posing the most immediate threat.

Swiss Again Raise Rates in Inflation Fight ZURICH — The National Bank Tuesday raised its key interest rates by one percentage point in an attempt to slow inflation, which has reached a six-year high in Switzerland.

The discount and Lombard rates, which apply to credits the central bank makes to commercial banks, had already been raised three times this year and will stand at 6 percent and 7.5 percent, respectively.

The move caught foreign exchange markets unawares, briefly forcing the dollar lower against all major currencies. But after falling to about 2.1450 Swiss francs, the U.S. currency rebounded to 2.1610, the same as it was before the announcement. The dollar closed at 2.1565 Swiss francs.

Dealers said the effect was mainly psychological since markets were already overcast because of recent swings in U.S. interest rates, which are still much higher than Europe's.

They said the impact of the Swiss increases was in practice limited, representing little more than a gesture of the authorities' determination to tackle inflation.

Swiss inflation, which in the autumn of 1978 was zero, is now running at an annual 6.6 percent, which is higher than in West Germany or Japan.

Switzerland is bearing the consequences of an overheated economy, bank economists said. While much of the rest of the world has been in recession, the Swiss economy grew 3 percent last year, and it suffers from a labor shortage rather than unemployment.

Last weekend, Swiss National Bank officials forecast that both inflation and interest rates would rise further before the end of the year.

In Tuesday's statement the National Bank said commercial banks had been making frequent use of discount and Lombard credit because the rates were below market levels, threatening its tight monetary policy.

The National Bank said it would also reduce the amount of liquidity it makes available to the banks at the end of each month. Both this and the increase in rates potentially curb their lending activity.

The National Bank also said Tuesday that Switzerland's foreign-exchange reserves fell 1.96 billion Swiss francs to 192 billion in the last 10 days of August.

NYSE Prices Close Mixed

NEW YORK — Bargain-bunting gave the New York Stock Exchange a respite from its summer slide Tuesday, with prices ending mixed after moving in a narrow range all day.

The Dow Jones industrial average, which fell 70 points last month, closed up 1.24 at 827.1. Other indices were fractionally higher, but declines led advances by about 890 to 580. Volume swelled to some 45.1 million shares from 40.4 million Monday.

Analysis expect the market to remain in its general downtrend, however, until investors are sure interest rates are dropping.

Harry Laubscher of Paine Webber said the gain in the Dow Jones average and the increased volume were due to buyers moving back into the market in search for bargains.

The market got little encouragement when both Citibank and Manufacturers Hanover said they would hold their prime lending rate at 20 1/2 percent despite cuts to 20 percent by two major banks.

Also, the closely watched federal funds rate, on overnight loans between banks, rose to a high of 17 1/2 pct from Monday's close of 17 percent.

In the credit markets, Indiana Bell Telephone Co.'s \$75 million of 40-year debentures were being offered at 99.40 to yield 17.10 percent, a record for any triple-A rated Bell issue, lead underwriter Warburg Paribas Becker Inc. said. Earlier, the underwriter won the bonds with a bid of 98.849 and a 17-percent coupon.

Hydro Quebec's debt offering was increased to \$250 million from \$200 million and priced to yield 17.40 percent.

Foreign markets were acting if there would be little easing in interest rates in the United States. Gold fell on international markets and the dollar remained firm against other major currencies.

New Orders In U.S. Rise 1.3% in July

WASHINGTON — Conflicting indications of where the U.S. economy is headed were reported Tuesday with factory orders in July rising while construction spending fell.

The Commerce Department said new orders received by manufacturers rose \$2.18 billion, or 1.3 percent, to a seasonally adjusted \$173.09 billion in July. The increase followed a 0.9-percent rise in June.

The department said shipments fell \$1.21 billion, or 0.7 percent, after rising 2.4 percent in June. The backlog of unfilled orders rose \$3.83 billion, or 1 percent, to \$328.7 billion. Unfilled orders declined 0.2 percent in June.

The department said durable goods industries accounted for the total July increase in new orders, going up \$2.2 billion, or 2.5 percent, to \$90.5 billion.

Within durable goods, aircraft and parts industries' orders, which the department said are quite volatile from month to month, rose \$2 billion, or 50 percent, to \$6.1 billion after declining 30 percent in June.

The department reported that construction spending fell 1.5 percent in July to a seasonally adjusted annual rate of \$235.1 billion after a revised 0.4 percent decline in June. Originally, June construction spending had been reported off 1.5 percent. Despite the July decline, construction spending was up 8.6 percent from a year earlier.

Construction spending, as measured in inflation-adjusted dollars, fell 1.9 percent in July to a seasonally adjusted \$152.4 billion. July spending was 2.1 percent higher than a year earlier.

Meanwhile, a Conference Board report Tuesday said new authorizations of capital spending by the 1,000 largest U.S. manufacturing companies rose 5 percent in the second quarter, to a seasonally adjusted \$29.1 billion.

Actual capital spending among the 1,000 firms rose only 2.5 percent in the second quarter over the first quarter, it added.

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Leipzig Fair: A Lack of Enthusiasm

By Robert Woodward

BONN — West German salesmen are packing their bags for the Leipzig Trade Fair with less enthusiasm than usual in the face of declining East German interest in their wares.

Trade with East Germany has helped West Germany become the leading trading partner of the East bloc, but West German firms fear a mixture of national and international factors could lead to a fall in two-way trading.

The spring fair this year attracted more than 800 West German firms while the coming fair, to run from Sept. 8 to 12 under the theme "Free World Trade and Technical Progress," is expected to attract about 6,000 exhibitors from 46 countries.

Inter-German trade climbed 18.7 percent last year to 11.73 billion Deutsche marks (\$4.7 billion) due to increased exchanges of chemical products and large East German imports of engineering products to re-equip and modernize its factories.

Weakening Trend
But figures just released show trade between the two Germanys rose only 4 percent in the first half of 1981 to 5.95 billion DM after a 34-percent rise in the first half of 1980.

Ministry and industry sources say this weakening trend will continue during 1981 so that trade this year may even fall below last year's total.

World recession and high interest rates in West Germany are responsible for some of this downturn, but the bulk of the blame can be placed on a change in East German industrial policies and deteriorating East-West relations.

Growing Trade Deficit
East Germany's 1981-85 economic plan aims to increase national income and industrial production by 30 percent and foreign trade volume by 26 percent within five years.

But trade volume will be below the 61 percent growth it experienced under the last five-year plan, as emphasis is being put on reducing imports while increasing exports, and cuts in investment are also envisaged.

Two Germanies See Trade Ebb

A reduction in imports has been necessitated by the growing East German trade deficit of more than 17.3 billion DM in the last five years, of which nearly 15 billion DM has been in trade with Western industrialized countries.

While East Germany does not have Poland's debt repayment problems, it still pours a third of its hard-currency earnings into repaying interest on debts which total \$10 billion at the end of 1980.

Swing Facility
East German trade with the Soviet Union, which supplies East Germany with 19 million tons of crude oil annually to fill 90 percent of its needs, is also sharply in deficit.

While the cumulative East German trade deficit with West Germany totaled 3.9 billion DM at the end of 1980, part of this was financed through an interest-free credit facility called the swing, which totaled 850 million DM.

But this swing facility will be reduced to 200 million DM for the 1982-86 period unless the two sides agree to renegotiate the arrangement.

Political relations between Bonn and East Berlin have been at an ebb since Chancellor Helmut Schmidt's cancellation in August last year of a visit to East Germany due to the Polish situation, coupled with sharp East German increases in the currency exchange requirement for West German visitors announced in October last year.

There are signs of a thaw in relations following Mr. Schmidt's confidential message to East German leader Erich Honecker at the end of July, but West German industry officials still fear the political situation could harm their prospects in East Germany.

West German firms returned from this year's spring Leipzig Fair with tales of reluctant East

Hanson Trust Buys Stake In U.S. Firm

NEW YORK — Hanson Trust, a diversified British manufacturer and services supplier, has purchased 449,500 shares, or 5.04 percent, of Gulf Resources & Chemical Corp.

In a report filed with the Securities and Exchange Commission by Hanson Holdings Netherlands, a unit of the U.K. company, Hanson said it paid an average of \$22.50 a share, or \$10.1 million, for its stake.

With the acquisition, Hanson becomes the third outside investor to own at least 5 percent of the common shares of the Houston-based minerals company. Bel-Fran Investments Ltd. and HCL Holdings Ltd. of Canada, both of which are controlled by the Belzberg family, of Vancouver, said two weeks ago that they had acquired a 6.3-percent stake in Gulf Resources, which included the purchase of 387,000 shares at \$21.68 a share.

In 1980, a company owned by Nelson Barker Hunt and William Herbert Hunt of Texas acquired nearly a 10-percent stake in the company.

Hanson said Monday that its purchase of Gulf shares was for investment purposes, but added that it might decide at any time in the future to try to increase or decrease its holdings. Hanson also said it had met with Gulf Resources officials on Aug. 20 at Gulf's request, but that "no agreements or understandings" resulted from the meeting.

Hanson is involved in manufacturing and supply of agricultural products, building materials, construction equipment, tools, shoes, textiles and in other areas. Gulf Resources, which is involved in mining coal, lead, silver, zinc, lithium and in oil and gas, said it had no comment on the Hanson purchase or on the Aug. 20 meeting.

Gulf Resources "is always a stock that looks undervalued in terms of the value of its assets," said Robert Maloney, an analyst with Wood Gundy Inc.

Saudis Reduce Crude Oil Production by 10%

By Robert Woodward

BAHRAIN — Saudi Arabia, the world's largest oil exporter, cut its production by 10 percent Tuesday as a goodwill gesture to other OPEC countries, but oil experts forecast output might rise again later this year.

Saudi Oil Ministry sources said output had been cut to a little over 9 million barrels a day from about 10.3 million barrels pumped since October.

Saudi Oil Minister Ahmed Zaki Yamani announced output would be cut for September after OPEC oil ministers failed to agree on a new renunciated pricing structure two weeks ago in Geneva.

Efforts to close the rifts in OPEC were renewed Tuesday as

Kuwait Oil Minister Ali Khalifa al-Sabah arrived in Saudi Arabia Tuesday for talks with Sheikh Yamani. A Kuwaiti government spokesman said over the weekend Kuwait wanted OPEC to close ranks and avoid a split, and Gulf oil analysts speculated the meeting could focus on ways to reach a pricing agreement.

Keeping the Gull
While the Saudi cut in production is officially being seen as a conciliatory gesture to the other OPEC members, there is speculation the Saudis acted partly to protect their own price of \$32 a barrel, OPEC's lowest.

According to a report in Petroleum Intelligence Weekly, Sheikh

Yamani fears the present glut could force oil prices even below the Saudi benchmark.

However, Gulf oil analysts said it appeared unlikely Saudi Arabia would be willing to see its month-old campaign to lower OPEC prices undermined by any signs of tightness in the market.

The beginning of the winter in Europe and the United States boosts demand for crude, and Saudi Arabia was likely to keep pressure on prices by slightly increasing its output next 10 million barrels a day, they forecast.

Saudi sources said the combined output of the Arabian American Oil Co. in Saudi Arabia and output from the Neutral Zone shared with Kuwait brought total Saudi

production to just under 9.2 million barrels a day.

Petroleum Intelligence Weekly also reported that total OPEC crude output may have slipped below 20 million barrels a day in recent weeks and was likely to slide further in September unless others could boost sales following the Saudi output cut.

If the drop in overall output is correct, Saudi Arabia's production, despite Tuesday's cut, would still account for between 45 and 50 percent of OPEC output.

The oil journal said many analysts expected the OPEC total to decline towards 15 million barrels a day by 1990 raising doubts about whether it would ever be able to implement long-term plans that would steadily raise real oil prices.

U.S. Allows No-Penalty Conversions to Savers Certificates

WASHINGTON — Federal banking regulators have ruled that holders of six-month money market certificates can convert them into the new "All Savers" certificates on Oct. 1 without an early-withdrawal penalty.

The decision was announced late Monday, and details remained to be worked out among the several banking regulators. It affects \$500 billion invested in the popular money market instruments, which are issued in denominations of \$10,000 or more at interest rates tied to Treasury bill rates.

The ruling did not deal with the issue of whether the tax-free condition for some interest earned on the new "All Savers" certificate would apply to the bonus packages being offered by banks and thrift

institutions for early commitment to the certificates. Many banks and thrifts suspended or amended the bonus plans Monday after the Internal Revenue Service warned that they may jeopardize the tax-free status of the interest earned on the certificates.

The "All Savers" certificate, designed to aid the ailing thrift industry, becomes effective Oct. 1 and will allow individuals to earn \$1,000 and married couples up to \$2,000 a year in tax-free interest. The 12-month certificate will offer a maximum interest rate equal to 70 percent of the current rate on one-year Treasury bills, which analysts expect to be around 15 percent Oct. 1.

For the thrift industry, a switch from money market certificates to "All Savers" certificates would

lower costs. Money market certificates are paying around 16 percent, while the new certificates, at current interest rate levels, would only pay about 10 percent to 11 percent interest.

The lower rate would be attractive to consumers in tax brackets above 30 percent because the tax-free interest makes the after-tax yield equal to or higher than the present rates for money market certificates.

The ruling allowing the conversion without a penalty is consistent with prior banking rules, which permit such action if the money is put into a new certificate that offers a lower interest rate and has a maturity that is equal to or longer than the remaining maturity on the old certificate.

The rulings were made separately by the Federal Reserve Board, the Federal Home Loan Bank Board, the Federal Deposit Insurance Corp. and the National Credit Union Administration.

But while it was clear how the rulings would affect the six-month money market certificates, there was not immediately a firm ruling by all the regulators on how the shifts from other certificates, such as the 24-year certificate, would be affected. The Fed and the National Credit Union rulings covered all certificates of deposit while the Federal Deposit Insurance Corp. and the Home Loan Bank Board did not.

The Federal banking regulators said that the Internal Revenue Service had also approved the conversion right.

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

1st September, 1981

NITTO ELECTRIC INDUSTRIAL CO., LTD.

(Nitto Denki Kogyo Kabushiki Kaisha)

U.S. \$40,000,000

5 3/4 per cent. Convertible Bonds 1996



Nomura International Limited

Morgan Stanley International J. Henry Schroder Wagg & Co. Société Générale de Banque Limited S.A.

Crédit Lyonnais Sanwa Bank (Underwriters) Limited Swiss Bank Corporation International Limited

- Abu Dhabi Investment Company
- Algemeine Bank Nederland N.V.
- Amro International Limited
- Associated Japanese Bank (International) Limited
- Bache Halsey Stuart Shields Incorporated
- Banca Commerciale Italiana
- Banca del Gottardo
- Banca Nazionale del Lavoro
- Banco di Roma
- Bank Julius Baer International Limited
- Bank Brussel Lambert NV
- Bank für Gemeinwirtschaft Aktiengesellschaft
- Bank Leu International Ltd.
- Bank Mees & Hope NV Limited
- Bank of Tokyo International Limited
- Banque Française du Commerce Extérieur
- Banque Générale du Luxembourg S.A.
- Banque de l'Indochine et de Suez
- Banque Nationale de Paris
- Banque de Neufville, Schlumberger, Mallet
- Banque de Paris et des Pays-Bas
- Banque Populaire Suisse S.A. Luxembourg
- Banque de l'Union Européenne
- Banque Worms
- Baring Brothers & Co., Ltd.
- Berliner Handels- und Frankfurter Bank
- Caisse des Dépôts et Consignations
- James Capel & Co.
- Carr Neberg & Co
- Cazenove & Co. (Overseas)
- Chase Manhattan Limited
- Chemical Bank International Group
- Christians Bank og Kreditkasse
- Citicorp International Group
- Commerzbank Aktiengesellschaft
- Compagnie de Banque et d'Investissements CBI
- TC Coombs & Co.
- Creditanstalt-Bankverein
- Crédit Commercial de France
- Crédit Industriel et Commercial
- Crédit Suisse First Boston Limited
- Dai-ichi Kangyo International Limited
- Dai-ichi Securities Co., Ltd.
- Daiwa Bank (Capital Management) Ltd.
- Daiwa Europe Aktiengesellschaft
- Deutsche Girozentrale
- The Development Bank of Singapore
- DG Bank
- Domination Securities Ames Limited
- Dresdner Bank Aktiengesellschaft
- Europäische Kommunalfinanzbank
- Deutsche Girozentrale
- European Banking Company Limited
- Gefina International Ltd.
- Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft
- Goldman Sachs International Corp.
- Hambros Bank
- Hessische Landesbank—Girozentrale—
- Hill Samuel & Co. Limited
- IBJ International Limited
- Jardine Fleming (Securities) Ltd.
- Jardine Fleming (Securities) Ltd.
- Kleinfwort, Benson Limited
- Kreditbank S.A. Luxembourgeoise
- Kidder, Peabody International Limited
- Kleinwort, Benson Limited
- Kreditbank S.A. Luxembourgeoise
- Kulm Loeb Lehman Brothers Asia
- Kuwait Financial Centre S.A.K.
- Kuwait International Finance Co. S.A.K. (KIFCO) Limited
- Kuwait Investment Company (S.A.K.) Limited
- Lloyds Bank International Limited
- Manufacturers Hanover
- Merrill Lynch International & Co.
- Mitsubishi Bank (Europe) S.A.
- Mitsubishi Bank (Europe) S.A.
- Mitsui Trust Bank (Europe) S.A. Limited
- Samuel Montagu & Co. Limited
- Mitsui Finance Europe
- Samuel Montagu & Co. Limited
- Morgan Grenfell & Co. Limited
- Morgan Grenfell & Co. Limited
- Morgan Guaranty Ltd
- National Bank of Abu Dhabi Limited
- The National Commercial Bank (Saudi Arabia) Limited
- Nederlandsche Middenstandsbank N.V.
- Nederlandsche Middenstandsbank N.V.
- New Japan Securities Europe Limited
- The Nikko Securities Co. (Europe) Ltd.
- Nippon Kangyo Kakumaru (Europe) Limited
- Nomura International (Hong Kong) Ltd.
- Norddeutsche Landesbank Girozentrale
- Nordic Bank Limited
- Osakan International (Europe) Limited
- Sal. Oppenheim jr. & Cie. Limited
- Orion Royal Bank Limited
- Osakaya Securities Co., Ltd.
- Phillips & Drew
- Pierson, Heidring & Pierson N.V.
- Privatbanken Aktiengesellschaft
- N. M. Rothschild & Sons Limited
- Salomon Brothers International
- Sanyo Securities Co., Ltd.
- Skandinaviska Enskilda Banken Limited
- Smith Barney, Harris Upham & Co. Incorporated
- Sumitomo Finance International
- Société Générale
- Société Générale de Banque
- Sumitomo Finance International
- Svenska Handelsbanken
- The Taiyō Kobe Bank (Luxembourg) S.A.
- Société Générale de Banque
- Sumitomo Finance International
- Svenska Handelsbanken
- The Taiyō Kobe Bank (Luxembourg) S.A.
- Tokai Kyowa Morgan Grenfell Limited
- Toyo Trust Asia Limited
- Union Bank of Switzerland (Securities) Limited
- Verins- und Westbank Aktiengesellschaft
- Vickers da Costa International Ltd.
- J. Vontobel & Co. Limited
- Wako International (Europe) Limited
- S. G. Warburg & Co. Ltd.
- Wardley Limited
- Westdeutsche Landesbank Girozentrale
- Wood Gundy Limited
- Yamaichi International (Europe) Limited
- Yamatane Securities Co., Ltd.
- Yasuda Trust and Finance (Hong Kong) Ltd.

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KAWASAKI STEEL CORPORATION

(Kawasaki Seitetsu Kabushiki Kaisha)

U.S. \$100,000,000

5 3/4 per cent. Convertible Bonds Due 1996

Nomura International Limited

Yamaichi International (Europe) Limited

- Commerzbank Aktiengesellschaft
- Crédit Lyonnais
- Credit Suisse First Boston Limited
- Dai-ichi Kangyo International Limited
- Kuwait International Investment Co. s.a.k.
- LTCB International Limited
- National Bank of Abu Dhabi
- The Nikko Securities Co., (Europe) Ltd.
- J. Henry Schroder Wagg & Co. Limited
- Swiss Bank Corporation International Limited
- The Taiyō Kobe Bank (Luxembourg) S.A.
- Algemeine Bank Nederland N.V.
- Amro International Limited
- Associated Japanese Bank (International) Limited
- Bache Halsey Stuart Shields Incorporated
- Banca Commerciale Italiana
- Banca del Gottardo
- Bank Julius Baer International Limited
- Bank Mees & Hope NV Limited
- Bank of Tokyo International Limited
- Banque Française du Commerce Extérieur
- Banque Générale du Luxembourg S.A.
- Banque de l'Indochine et de Suez
- Banque Internationale à Luxembourg Société Anonyme
- Banque Nationale de Paris
- Banque de Neufville, Schlumberger, Mallet
- Banque de Paris et des Pays-Bas
- Banque Populaire Suisse S.A. Luxembourg
- Banque de l'Union Européenne
- Banque Worms
- Baring Brothers & Co., Ltd.
- Berliner Handels- und Frankfurter Bank
- Caisse des Dépôts et Consignations
- James Capel & Co.
- Carr Neberg & Co
- Cazenove & Co. (Overseas)
- Chase Manhattan Limited
- Chemical Bank International Group
- Christians Bank og Kreditkasse
- Citicorp International Group
- Commerzbank Aktiengesellschaft
- Compagnie de Banque et d'Investissements CBI
- Continental Illinois Limited
- County Bank Limited
- Crédit Commercial de France
- Crédit Industriel et Commercial
- Crédit du Nord
- Dai-ichi Securities Co., Ltd.
- Daiwa Bank (Capital Management) Ltd.
- Daiwa Europe Aktiengesellschaft
- Dean Witter Reynolds Overseas Ltd.
- Deutsche Girozentrale
- Deutsche Kommunalfinanzbank
- European Banking Company Limited
- Gefina International Ltd.
- Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft
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- Hambros Bank
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- Kreditbank S.A. Luxembourgeoise
- Kidder, Peabody International Limited
- Kleinwort, Benson Limited
- Kulm Loeb Lehman Brothers Asia
- Kuwait Financial Centre S.A.K.
- Kuwait International Finance Co. S.A.K. (KIFCO) Limited
- Kuwait Investment Company (S.A.K.) Limited
- Lloyds Bank International Limited
- Manufacturers Hanover
- Merrill Lynch International & Co.
- Mitsubishi Bank (Europe) S.A.
- Mitsubishi Bank (Europe) S.A.
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- Samuel Montagu & Co. Limited
- Mitsui Finance Europe
- Samuel Montagu & Co. Limited
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- Toyo Trust Asia Limited
- Union Bank of Switzerland (Securities) Limited
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- Vickers da Costa International Ltd.
- J. Vontobel & Co. Limited
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- Wardley Limited
- Westdeutsche Landesbank Girozentrale
- Wood Gundy Limited
- Yamaichi International (Europe) Limited
- Yamatane Securities Co., Ltd.
- Yasuda Trust and Finance (Hong Kong) Ltd.

NYSE Nationwide Trading Closing Prices Sept. 1

Tables include the nationwide prices up to the closing on Wall Street.

Main table of NYSE Nationwide Trading Closing Prices Sept. 1, listing various stocks and their prices.

Floating Rate Notes table listing various floating rate notes and their closing prices.

Selected Over-the-Counter table listing various over-the-counter stocks and their closing prices.

Chicago Futures

Chicago Futures table listing various futures contracts and their prices.

International Monetary Market

International Monetary Market table listing various international monetary instruments and their prices.

U.S. COMMODITY PRICES

U.S. Commodity Prices table listing various commodities and their prices.

Market Summary

Market Summary table listing various market indices and their values.

European Stock Markets

European Stock Markets table listing various European stock markets and their prices.

Dividends table listing various dividend-paying stocks and their dividend amounts.

Advertisement for TAPMAN Equity on January 1, 1981, featuring a \$100,000 equity investment and a \$259,005.74 return.

Advertisement for INTERNATIONAL INCOME FUND, providing information about the fund's investment strategy and performance.

AMEX Nationwide Trading Closing Prices Sept. 1

Tables include the nationwide prices up to the closing on Wall Street.

Main table of AMEX Nationwide Trading Closing Prices Sept. 1, listing various stocks and their prices.

Toronto Stocks

Table of Toronto Stocks Closing Prices, August 31, 1981, listing various Canadian stocks.

European Gold Markets

Table of European Gold Markets, listing gold prices in London and other locations.

Montreal Stocks

Table of Montreal Stocks Closing Prices, August 31, 1981, listing various Quebec stocks.

Fujitsu Finac Bond

Has Low 4 1/2 % Coupon. LONDON - Fujitsu Finac's \$50-million, 15-year convertible Eurobond...

Eurocurrency Interest Rates

Table of Eurocurrency Interest Rates, listing rates for various currencies and terms.

SYRIAN ARAB REPUBLIC General Establishment for the Exploitation of the Ephraates Basin. AN ANNOUNCEMENT FOR TENDERS.

Canadian Indexes

Table of Canadian Indexes, listing various market indices.

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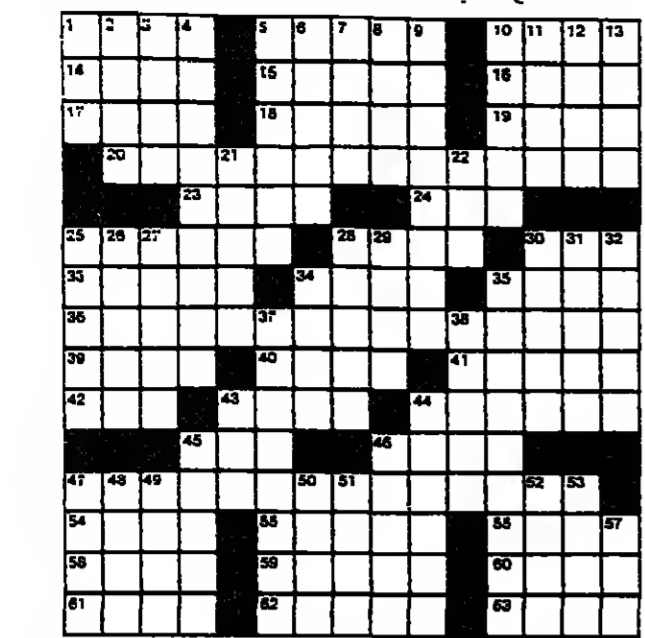
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CROSSWORD

By Eugene T. Malocha



- CROSS
1 Rum-and-water drink
5 Law, used by the Franks
10 Rebuff
14 'Hold-horses!'
15 Historic town in Iraq
16 Bustle
17 Mickey and kin
18 Countenance
19 Actor Skinner
20 Greet, in a way
23 Small drinks
24 Pique
25 Lose
26 Water plant
30 Bleak
33 Utopian
34 Region
35 River in Yorkshire
36 See 38 Across
38 Indian butter
40 Toward the mouth
41 Decided for
42 Goddess of the dawn
43 House at O.S.U.
44 Springs
45 Eur. country
46 Slammer
47 Words after 'Fragile'
54 Shaped like a stadium
55 Headress at Canterbury
56 With 30 Across, like a pinup man
58 -Lanspe, Delaware Indian
59 Criminal offense
60 Madame Bovary
61 Yellowish-brown wool
62 Certain tides
63 Famed counter
DOWN
1 Training ground for Larry Holmes
2 Louis XV and XVI
3 Cry of pain
4 Superior, e.g.
5 Two-point score in football
6 Baby sitters in Peking
7 Output of St. Helens
8 'City' (Pittsburgh)
9 General for whom a sweater was named
10 Author of 'Olethron Falls', 1889
11 Pen name used by Vladimir
12 Mine passage
13 Like Buckingham Palace
21 Eucalyptus eater
22 Spanish Mme.
23 Tiny pest
24 Baking potato
25 Enlightened Buddhist
26 Conduct
27 Public disorders
28 Napoleon's 'Grande' group
29 Devil's-trumpets, e.g.
30 Seaport in Spain
31 Drawn in by suction
32 Eric the Red was one
33 Architectural order
34 Suffix with care
44 Site of the University of Georgia
45 Talk-show quip
46 Leather band goes
47 Where cargo
48 Assort
49 Daring dog
50 Fencing
51 '...boy!'
52 Nerve branches
53 Patron saint of sailors
57 Gibbon

WEATHER

Table with columns for location, high, low, and weather conditions. Locations include ALBUQUERQUE, AMSTERDAM, ANKARA, ATHENS, AUCKLAND, BANGKOK, BELGRADE, BERLIN, BOSTON, BRUSSELS, BUCHAREST, BUENOS AIRES, CAIRO, CASABLANCA, CHICAGO, COPENHAGEN, COSTA MESA, DAMASCUS, DUBLIN, FRANKFURT, GENEVA, HELSINKI, HONG KONG, HOUSTON, ISTANBUL, JERUSALEM, LAS PALMAS, LIMA, LONDON, LOS ANGELES.

PEANUTS



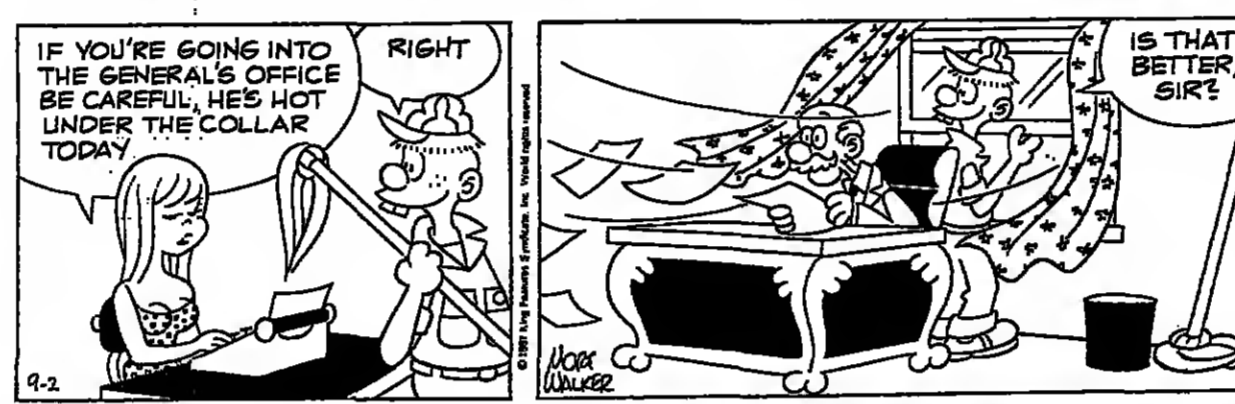
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BLONDIE



BETTY BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



DOONESBURY



BOOKS

ASKING FOR TROUBLE

Autobiography of a Banned Journalist
By Donald Woods. 373 pp. \$12.95.

Atheneum, Vreeland Avenue, Totowa, N.J. 07068.

Reviewed by Thomas Pakenham

FOR 12 years Donald Woods, editor of South Africa's Daily Dispatch, and a zealous white liberal, led a charmed life in the mine field...

Lucerne, paying his fare through a slush fund. It was the friendship with Steve Biko that changed everything for Woods...

Predictably the paper then blew up in Woods' face. The government banned him. He was gagged as a journalist, put under virtual house-arrest...

How does Woods today, exiled to Britain with his wife and six children, look back on these experiences? Unquestionably, of course, but without personal bitterness...

Woods was born in the Transkei in 1933, the second son of a dealer doing a roaring trade near the small town of Elliotdale...

At the same time, Woods' experiences have confirmed his worst fears for his country's future. He doubts whether the whites, with the best will in the world, can now satisfy black aspirations...

But in adult life it was channeled — safely, it seemed — into journalism. At 31, after a few years as a cub reporter, he grabbed the editorial chair of the Dispatch...

Thomas Pakenham is the author of 'The Boer War,' and currently writing a history of colonialism in Africa. He wrote this review for The Washington Post.

Best Sellers

- The New York Times
The list is based on reports from more than 100 bookstores throughout the United States. Weekday lists are not necessarily consecutive.
FICTION
1. CLAUDE by Stephen King
2. NOBLE HOUSE by James Clavell
3. THE THIRD DEADLY SIN by Lawrence Sanders
4. GOREY PARK by Martin Cruz-Smith
5. THE GLITTER DOME by Joseph Conrad
6. GOODBYE, JANETTE by John Updike
7. THE CARDINAL SINS by Andrew Ross
8. THE CLOWNS OF GOD by Morris West
9. TRADE UP by M.M. Kaye
10. NIGHT PROBE by C.W. Ceram
11. GOD EMPEROR OF DUNE by Frank Herbert
12. THE LAST DAYS OF AMERICA by Paul Erdos
13. LUCIANO'S LUCK by Jack Higgins
14. FREE FALL by Alexander Rose
15. LICENSE RENEWED by John Gardner
NONFICTION
1. THE BEVERLY HILLS DIET by Judy Woodruff
2. THE CENTER OF THE UNIVERSE by James H. Hunt
3. NEVER SAY DIET BOOK by Richard Simmons
4. MISS BEGGARS' GUIDE TO LIFE by Mia Farrow as told to Henry Beard
5. THE WHITE REPORT ON SEXUALITY by Shere Hite
6. LIVING ALONE & LIKING IT by Lynn Shalom
7. THE CENTER OF THE UNIVERSE by Collette Dowling
8. JANE BRODY'S NUTRITION BOOK by Jane Brody
9. YOU CAN AFFORD TO BE A MAN by Alexander Rose
10. HOW TO MAKE LOVE TO A WOMAN by Alexander Rose
11. THE EAGLE'S GIFT by Celia Cusack
12. THEORY Z by William G. Ouchterlony
13. COSMOS by Carl Sagan
14. KEEP IT SIMPLE by Margeaux
15. MORTALITY by MORSEBACK by David McCullough

ADVERTISMENT INTERNATIONAL FUNDS
September 1, 1981
The net asset value quotations shown are supplied by the Funds listed with the exception of some funds whose quotes are based on price quotes. The following information shows the frequency of quotations supplied for the INT: (a) - daily; (w) - weekly; (m) - monthly; (q) - quarterly; (y) - yearly.

JUMBLE THAT SCRAMBLED WORD GAME

Jumble game instructions and word lists. Includes words like HARCO, RUTTE, YATAPH, BRUNKE. Answer: CRUSH SOUSE SADIST ACTING.

DENNIS THE MENACE



BRIDGE

Bridge game analysis and solution. Includes a diagram of a deal and a solution to a previous puzzle.

McEnroe, Lloyd Defend U.S. Open Tennis Titles

NEW YORK — The U.S. Open — the third leg of tennis' grand slam — began its two-week grind Tuesday with the world's top players aiming to dethrone defending champions John McEnroe and Chris Evert Lloyd. And history shows the top-seeded players face strong odds against winning the title.



John McEnroe

The Soccer Scene Afoot: A Strong Pitch for a New Pitch

By Rob Hughes International Herald Tribune

LONDON — North American soccer, its nose bloodied after being prevented from altering the rules of play, now gains a wry consolation on the other side of the Atlantic. The artificial playing surface used in NASL for almost two decades has just been unveiled in Europe.

Too quick, perhaps. For if the surface at the Pontiac Stadium, where the Detroit Express played its soccer, is any guide, the smoothness will deteriorate. In Detroit, while the ball skidded across the surface and quickened players' responses, the carpet's many ridges made for dreadful, unerring bounces. The ball suddenly leaped like a lizard over players' boots, making them look foolish.

Study-Waver QPR's Venables dispels this fear, waving a Wisconsin study that suggests the injuries on artificial surfaces are minor and superficial. But the intensity of physical combat in the NASL is tepid in comparison to European, and in particular England, league play.

And a certain Dr. Ludwig Prokop, a medical professor at the University of Vienna, has produced an unparalleled and uncontradicted research on "acute and chronic tear circumstances in tissues and motion apparatus of the human body" in track athletes. He found that 80 percent of track athletes regularly performing on synthetic surfaces suffered in some way — their complaints ranging from ruptured Achilles tendons to painful vertebrae injuries.

Whether change is the equal of progress, whether synthetic pitches will unacceptably alter the European game, will take at least a season to determine. But at the London stadium of the Queens Park Rangers, the experiment is afoot.

It began Tuesday night when Jake Findlay, the 6-foot-1, 202-pound goalkeeper of second-division Luton Town dressed up in gridiron style, practice padding around the elbows, knees, thighs and "a pair of wife's tights" — to become the first visiting goalie to hurl himself around on what amounts to a rubber carpet.

Not World-Class They are not world-class players," said Johnson, coach of the NCAA champion University of Wisconsin. "Well, some of them are, but your plan is to play with excitement, to be emotional and at the same time not make mistakes."

For the Canada Cup tournament, which was to begin here Tuesday, Coach Bob Johnson has assembled seven players from that Lake Placid squad, has recruited goalie Tony Esposito and has added several American-born National Hockey League veterans. But he doesn't expect another miracle.

4 Phillie Home Runs Help Defeat Braves, 11-8

ATLANTA — Mike Schmidt hit his major-league-leading 23d home run of the year, good for three runs in the fifth inning, and Keith Moreland followed with his sixth.

strike on Mike Hargrove but then delivered four straight balls. Martin protested the calls and got the thumb.

BASEBALL ROUNDUP

Philadelphia rallied to defeat the Braves, 11-8, here Monday night and stop at six games in its longest losing streak since 1976. Lonnie Smith and Luis Aguayo also hit bases-empty homers as the Phils produced 17 hits in support

of Dick Ruthven (10-5), who survived a grand-slam home run by Glenn Hubbard in the first and a four-run Atlanta rally in the sixth. Despite picking up his 10th victory of the year, Ruthven surrendered all eight Atlanta runs and was not pleased with his 5 2/3-inning performance. "We have the luxury of knowing we're going to be in a pinch-single and Omar Moreno, attempting to sacrifice, was safe on third baseman Derral Thomas' error. Lee Lucy bunted safely to lead the bases before Madlock hit a fly deep to right field off reliever Dave Stewart (4-2).

Major League Standings

Table showing Major League Standings for American League and National League, including teams like Detroit, Milwaukee, Baltimore, Boston, Cleveland, Toronto, Pittsburgh, Oakland, Chicago, Kansas City, California, Texas, Milwaukee, Seattle, St. Louis, Montreal, Chicago, New York, Philadelphia, Pittsburgh, Houston, San Francisco, Atlanta, Los Angeles, Cincinnati, San Diego.

Transactions

BALTIMORE—Recalled Mark Corey, outfielder, and Dave Ford, pitcher, from Rochester of the International League. KANSAS CITY—Wounded Jerry Grote, catcher. Recalled Tim Lincecum, infielder. Announced the addition of Ken Platter, first baseman; Dale Casper, shortstop; Paul Sheridan, outfielder; Greg Koetter, catcher; and Billy Paschall and Jeff Schmitt, pitchers, to the club.

Team USA Braces for Canada Cup

EDMONTON, Alberta — A year and a half ago, the United States was gripped by the achievement of 20 underdog youngsters who won the amateur hockey world "gold" home Olympic gold medals.



Minnesota defenseman Craig Hartsburg kept Montreal's Guy Lafleur in check in a recent Team Canada exhibition match.

Eventually, swayed by the fiscal potential of a surface that permits multipurpose use — from seven-days-a-week, all-weather soccer to pop concerts — the league gave its blessing. The association is still deliberating. Its head perhaps stuck in the sand beneath the fibers. Monetary, rather than esthetic proof, will win the argument. Even Terry Venables, the OPR coach and co-author of the soccer novel "They Used to Play on Grass," allows, "The game can't turn its back on a development which can enable clubs to survive."

North American professionals, it is, at 32, the Russians' grand old man. Many believe this may be this year's cup will be his last taste of international hockey. "I will play as long as I can, or they let me," said Tretiak. "I feel I can still contribute to our team. Look at Tony Esposito — he is still good despite his age."

Martin Regrets Umpire Assault, Drops Appeal

The Associated Press BOSTON — Billy Martin, manager of the Oakland A's, says he has decided to drop the appeal of his one-week suspension and \$1,000 fine for an incident in which he bumped and threw dirt at umpire Terry Cooney three months ago in Toronto.

SAVE!

S.Fr. 242, Fl. 296, F.F. 528. Subscribe to the International Herald Tribune and take advantage of our special introductory offer. You'll save 25% of the regular subscription price, or 42% of the newsstand price in most European countries!

Table titled 'THESE ARE THE SPECIAL RATES AFTER DEDUCTION OF THE INTRODUCTORY DISCOUNT' showing rates for various countries like Aden, Afghanistan, Albania, Algeria, Argentina, Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, Czechoslovakia, Denmark, Egypt, Finland, France, Germany, Greece, Hungary, India, Iran, Israel, Italy, Kuwait, Lebanon, Libya, Luxembourg, Malaysia, Malta, Mexico, Monaco, Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Saudi Arabia, South Africa, South America, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, U.S.A., U.S.S.R., U.K., Yugoslavia, Zaire, and Other Eur. Countries.

Monday's Major League Line Scores

Table showing Monday's Major League Line Scores for American League and National League, including teams like Montreal, Cincinnati, Baltimore, Boston, Cleveland, Toronto, Pittsburgh, Oakland, Chicago, Kansas City, California, Texas, Milwaukee, Seattle, St. Louis, Montreal, Chicago, New York, Philadelphia, Pittsburgh, Houston, San Francisco, Atlanta, Los Angeles, Cincinnati, San Diego.

BASEBALL

BALTIMORE—Recalled Mark Corey, outfielder, and Dave Ford, pitcher, from Rochester of the International League. KANSAS CITY—Wounded Jerry Grote, catcher. Recalled Tim Lincecum, infielder. Announced the addition of Ken Platter, first baseman; Dale Casper, shortstop; Paul Sheridan, outfielder; Greg Koetter, catcher; and Billy Paschall and Jeff Schmitt, pitchers, to the club.

HOCKEY

MINNESOTA—Signed Jari Valtonen, Kari Kero and Art Vuori's defense. WINNIPEG—Signed Mike Smith, coach of Tulsa of the Central Hockey League.

INTERNATIONAL Herald Tribune

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Observer

Everyman's Ed Meese

By Russell Baker

NEW YORK — The last straw was the police waking me out of a sound sleep at 3 o'clock in the morning. They had caught a burglar going down the fire escape with my television set. "So put the TV set back and shut the window," I said, in very bad humor.



Baker

What ranked was this: If I had been President, they wouldn't have dared wake me up. They would have awakened Ed Meese, and Ed would have said, "Since we didn't lose the TV set, I don't see any reason to wake him up at this hour of the night. I'll tell him at breakfast and we'll see that a case of bourbon gets around to the police station tomorrow."

Thanks to Ed Meese, the president didn't get roused out of his bed when those Navy pilots shot down the Libyan planes and, as the president said, with my total approval, "Why wake me up since it wasn't our planes that were shot down?" or words to that effect.

If you have an Ed Meese, he will handle these pre-dawn nuisances for you. So next morning I said, "I'm tired of being waked up at 3 a.m. every time a burglar doesn't get away with the TV set. I'm going to get an Ed Meese."

The agency sent one over that afternoon. He took one look at the house and said I had better take two weeks vacation immediately so he could put things in order.

"Go to the woods," said the Ed Meese, whose name was actually Flinders. "They've got sharks at the seashore."

"Now look here, Flinders," I started to protest. "It's very unprofessional to be called by my given name," said the Ed Meese. He called Ed.

"Ed," said I, "they may have sharks at the seashore, but at the woods they've got bears."

"Not to worry," said Ed, and he went ahead to the woods and cleared out all the bears before we arrived, and then went back to the house and balanced the check-book, wiped the dirty finger smudges off the woodwork, and placed all the cracked plates. The

place looked tip-top when we got back, but Ed said there was trouble brewing.

"Your grandmother has asked for an appointment," he said. "Also two of your children."

I told him to send in Granny first. Ed let her in. "Why can't I ever reach you on the telephone any more?" she asked.

"Well, Granny, I didn't know you've been calling or I'd have —"

"You don't have to answer my questions," said Ed, taking me by the elbow and guiding me into the kitchen. From the parlor, Granny was shouting, "Are you coming over for Sunday dinner?"

Ed said he would handle things, then he showed the parlor, showed Granny out and said, "Not to worry," as he had agreed to attend Sunday dinner at Granny's in my place. If I promised to stay home watching TV games and not answer the telephone.

"Why can't I answer the telephone, Ed?"

"Because two of your children will be trying to call for money any time you're not at home. You go out in the back yard and clear some brush while I reorganize your business."

"But I don't have any business to be reorganized, Ed."

"You do now," he said. "I'm setting you up in the brush-clearing business. The sales campaign starts next week with ads targeted into media along the Appalachian mountains. They've got thousands of square miles of uncleared brush up there. Within five years you'll be the biggest thing in the brush industry since the Fuller brush man."

Well, talk about exciting prospects. Having an Ed Meese opened up new horizons. "With a guy like you, Ed," I said, "I could be president some day."

Ed took me by the elbow and guided me to bed. "I'll see that you get some ideas in the morning," he said. "If you're bothered by any during the night, call for me and I'll get rid of them for you."

I am writing this under the blanket by candlelight and the phone is ringing downstairs. Probably somebody selling a course of weight loss. Let me hope Ed doesn't sign me up for any.

New York Times Service

A 'Stoic' Goes to Harvard

Japanese-American Morley Robertson Mixes 'Hell Week' And New-Wave Rock in an Academic Photo Finish

We are the stoic boys in urban society at the turn of the century. Oh, what a pity I am a stoic boy from a Japanese university.

By Christine Chapman

TOKYO — Morley Robertson thinks he belongs in the Guinness Book of Records. It's the first time in history, somebody at the university told him, that an American got into Todai, the prestigious University of Tokyo, by way of Japan's rugged entrance examination system.



The new-wave Robertson.

But that's only part of the record. Early this spring the 18-year-old Robertson was a media personality in Japan, for he was also accepted by six top-ranking U.S. universities — Harvard, Massachusetts Institute of Technology, Yale, Princeton, Stanford, and the University of California at Berkeley.

And, to fulfill a teen-ager's fantasy, CBS Sony, a Japanese company, offered to publish a record of his songs, for the ambitious Robertson is also a musician. He plays the electric guitar, he writes words and music, and he sings. He is not quite a one-man band, but backed up by four other players he has produced his first record, a single called "Stoic," released Aug. 1 by CBS-Sony.

Robertson and the recording company call the music new-wave, a combination of British punk rock and Jamaican reggae. Morley sees himself as an international, an American who is also Japanese, a young man who believes he must wake up Japan, and maybe the United States too, to the possibilities of international citizenship.

"Too Many Conflicts" "Through my music I'm trying to change the system to make a better environment. For myself first of all. There are too many conflicts in my life. As an international person, I'm seeking a double identity. To conform to a certain country would mean I'm sacrificing the other side of myself. I want to be flexible."

"I'm not totalitarian or capitalist or political. I'm just trying to get everybody to understand what's happening. I want to get human beings good. To get them

him credits equivalent to a junior year abroad. Although Robertson entered the University of Tokyo in April, when the Japanese school year began, he dropped out in June to cut his record. Todai allowed him year of grace, to re-enroll if he wishes next April. At the moment Robertson is uncertain whether he will re-enroll at Tokyo. He enters Harvard on Sept. 6.

"I think Harvard's more international than Todai. At Tokyo the students are homogenous in their manner and thinking. They have no identity. I didn't have any identity either until I went through 'exam hell.' The others were programmed to it by their parents and society. I pushed myself."

Lived in Hiroshima

In Japanese Robertson is a *hafu*, or "half," the child of an American father, a doctor who is the administrative director of research at the U.S. Public Health Service Hospital in San Francisco, and a Japanese mother who was a Fulbright scholar. He is an American citizen fluent in both languages. Between the ages of 5 and 13 he lived in Hiroshima, where his father served on the Atomic Bomb Casualty Commission. Returning to Japan for the final three years of high school, Robertson was graduated from Takaoka High School in Toyama prefecture in northeastern Japan, which his mother and grandfather had also attended.

On a vacation he studied for a few weeks at Sundai, a *jukeo*, or special preparatory school in Tokyo famous for getting its students successfully through *jukeo*, or the "exam hell" of comprehensive and highly competitive university entrance examinations.

In Japan one is admitted to a university on the basis of these test scores. Students intent on Todai will often study for years beyond high school in order to pass the examinations because Todai is the most difficult university to enter. Some repeat the process for several years until they succeed or give up. Known

After television appearances and concerts to promote the record, Robertson's trip back to reality begins with a reunion with his parents and 10-year-old brother in San Francisco. After that he heads for Cambridge and the life of a college freshman. The Japanese press reported that he "had made up my mind."

"I haven't made up my mind," he said. "I may go into anything."

PEOPLE: Doria Divers Find Cash In Hull; Safe Search Ends

Divers abandoned their treasure hunt for a second safe in the ruins of the sunken luxury liner Andrea Doria and made preparations to end their expedition. Teams of weary divers worked extended shifts in a last-ditch effort to find and raise a second safe that could contain a fortune in jewels and currency.

"At Sundai there were old guys studying, men in their 20s with dark beards. The lecture room was so crowded that those who sat in the back used binoculars to see the blackboard," Robertson recalled. "The study is totally inhuman. I took the science course exams and I learned self-discipline, but my eyesight deteriorated. I didn't have much time for extracurricular activities although I did play in a band."

When he goes into his punk rock act, Robertson wears dark glasses and a black leather jacket. He sings about the unawareness of the Japanese. In a number like "Sleepy," he describes people dozing on the subway who "don't really know that they're fast asleep." Or, he laments the lack of personal identity in a song like "Akamon Rock," which tells of students passing through Todai's gate, not knowing who or what they are.

To the unappreciative ear Robertson's new wave music with its strong beat and repetitive lyrics is no better, or no worse, than dozens of other rock records. Its difference lies in the fact that Robertson has appointed himself the critic of his generation.

"My songs are all message songs," he said. "The kids of my generation have lost a chance to find their own identity because their parents have brought them up so as not to be hurt. They don't want their children to have the same pains they did. They've deprived them of a chance to collide with reality and expand."

"My philosophy is stoic. A stoic person does not escape from reality. He finds identity from the force of facing reality."

After television appearances and concerts to promote the record, Robertson's trip back to reality begins with a reunion with his parents and 10-year-old brother in San Francisco. After that he heads for Cambridge and the life of a college freshman. The Japanese press reported that he "had made up my mind."

"I haven't made up my mind," he said. "I may go into anything."

It took eight years and they covered 45,000 miles, but Ray and Shirley Triplett made their dream come true: they sailed around the globe on their 46-foot ketch. "We wouldn't trade those eight years for anything in the world," Triplett said to the ketch, Morning Star, bobbed gently at a slip in San Francisco. The Triplets are both 59 and have been married for 40 years. Since sailing through the Golden Gate in June, 1973, the Triplets have fought storms, survived a coral reef grounding and faced pirates off Sumatra. The Triplets sailed to Hawaii, across the Pacific to Los Angeles, across the Red Sea, the Mediterranean, through the Straits of Gibraltar, down the west coast of Africa, across the Atlantic, through the Panama Canal, west to Hawaii again and, finally, San Francisco.

Actress Lynn Redgrave filed a \$10.4 million suit in Los Angeles against MCA-Universal studios, claiming she was fired from the television series "House Calls" because she wanted to breast-feed her baby. Universal spokesman Ben Halpern said the problem was over money — not breast-feeding. "Her problem with breast-feeding is she doesn't want to breast-feed at less than her last salary," he said. "She turned down another

\$6,000 a week. It's hard to breast-feed on that salary." Holding her 6-week-old daughter, Anabel, Redgrave told reporters the studio refused to allow her to bring the infant into her dressing room for breast-feeding because it would "hold up production." "It's an incredible length to go to," the 38-year-old English-born actress said after filing suit in Superior Court and sex discrimination charges with the state against the studio. Halpern said Universal does not prohibit actresses from breast-feeding their infants at the studio and that Susan St. James had done so during production of the "McMillan and Wife" series. He said Redgrave's husband-manager, John Clark, had demanded her contract be terminated because the studio refused his demands to double her salary. "Universal proposed a suitable arrangement for Lynn Redgrave to breast-feed the baby," Halpern said. "Actor Gary Grant has filed a \$10-million libel suit against the National Enquirer because it implied in an article that his wife forced him into marriage. Grant, 77, and his wife Barbara Harris Grant, 70, filed complaints in Los Angeles, charging a May 12 article entitled "The Untold Story: Why Gary Grant Married Again" was false and defamatory. The tabloid and the writer of the article, Allan A. Zullo, were named as defendants. Soledad Trope, Grant's lawyer, said the article was untrue by the article's implication that Mrs. Grant pushed a reluctant Grant into marriage. "The idea that their relationship was created out of anything other than romantic love is factually false," Trope said.

Ingemar Bergman, 63, said in an interview published in the newspaper Aftonbladet in Stockholm that he plans to quit making movies because "I have made so many films since 1941 and I am starting to get old. The Bergman epoch is finished." His latest movie, "Fanny and Alexander," is being rescheduled in Munich in 1983. In the interview, Bergman said he plans to retire to his home on the island of Faxebo, "take it easy" and catch up on a lot of unread books. The retirement will not be total, however. Bergman plans to continue in the theater.

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